THE NATION

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The SHAME of NEW YORK

Fred J. Cook and Gene Gleason

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THE NATION

INTRODUCTION TO THIS SPECIAL ISSUE

The Editors

NOW MORE than ever before, the Big City — growing bigger, denser, taller — is the center of modern society. Of all big cities, New York is the biggest — the monster metropolis, the best-known city in the world. But for all this it is still just another big city. It is Boston, Philadelphia, Chicago, Cleveland, Los Angeles, Houston. Basically, there is nothing unique about its problems; to some degree, its shame is the shame of every big city. The implications are far-ranging. Is Big City a law unto itself? Does power in the Big City concentrate at the top in such a way that "the little people," meaning all but a handful of residents, are helpless to control the government that is of most intimate concern to them, that has the maximum daily impact on their lives, and the lives of their children and neighbors? In the Big City — every Big City, any Big City — has the pay-off, the "fix," become a permanent way of life?

In this issue Fred J. Cook and Gene Gleason, experienced and able reporters on a New York metropolitan daily, present a wrap-up of New York politics based on stories which one or the other or both first brought to light or helped to develop. Throughout, they have added fresh material; vital aspects of the Nimer case are here revealed for the first time. The writers were not asked to describe the glories and marvels of New York; nor, by the same token, did we ask them to report on every aspect of the city's shame. They were asked to deal only with those phases of big-city politics, of people and power in the metropolis, with which they have dealt at first hand.

This is New York politics — Big City politics — told dramatically, cogently, in perspective. The fitful parade of scandalous headlines is here replaced by a carefully organized, intelligently interpreted, skillfully presented statement of what it is that constitutes the "shame" of New York.

No more than Cook and Gleason are we, the editors, convinced that the shame of New York is ineradicable. But if the 8,000,000 residents of New York are to reassert their authority as freeholders of a city that is one of the wonders of the world, they first need a clear, broad, steady view — a view in depth — of the shame that has befallen them. This they now have; the use they make of it is up to them.

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THE SHAME OF NEW YORK

Fred J. Cook and Gene Gleason

FRED J. COOK (the "writing half"): veteran crime reporter on a New York metropolitan daily, he is the author of "The FBI" (*The Nation*, October 18, 1958), which won the New York Newspaper Guild's Page One Award for magazine features. He was co-author with former Senator Robert C. Hendrickson, first chairman of the Senate Subcommittee on Juvenile Delinquency, of the book *Youth in Danger;* his latest book is *What Manner of Men* (Morrow).

GENE GLEASON (the "reporting half"): winner with Cook (both work on the same newspaper) of the 1957 Page One Award for the best local news reporting (subject: the wiretapping of a union headquarters during New York's subway strike). Gleason has spent most of the last three years in daily coverage of the personalities and events involved in "The Shame of New York." His editors have written of him: "He is tough physically . . . and mentally. No one awes him."

PART 1 MONSTER OF A CITY

NEW YORK is a sprawling, voracious monster of a city. It covers 315 square miles; it is crammed with some 8 million people. At least a million, a full eighth of its total population, live in packed squalor, six and ten to a room, in slum tenements whose mere existence is a nauseous stench on the air—tenements so rat-infested that, on the average, one hundred persons a year are badly chewed and, so far this year, two have been actually gnawed to death. Symbolically, perhaps, there are in New York more rats than people—an estimated 9 million of them.

Merely to recite such figures is to indicate the magnitude of New York's problems and the essence of the city itself. For in New York everything is judged by magnitude. The city's budget has soared above $2 billion annually, more than double the size of the national budget that evoked such a shock wave of protest in the days of Benjamin Harrison. The city's police force numbers nearly 24,000 men, an army larger than the military forces of many Latin American countries, an army not much smaller than the one Robert E. Lee had after Antietam. When one counts policemen, school teachers, transit workers and other municipal employees, New York's payrolls cover the salaries of some 220,000 workers. Even if one figures conservatively that, on an average, each worker has only two dependents, this huge municipal payroll means that there is a separate city of officialdom numbering more than 600,000 people—a city much larger than San Diego—that lives inside the city of Park Avenue and Harlem and the Empire State Building.

Such figures graphically illustrate the tremendous pressures that are generated in the crucible that is New York. What does one person or one life mean in a city swarming with 8 million humans and 9 million rats? The sheer weight of the packed, conglomerate masses, the tremendous size of the official bureaucracy that has been created to rule over them, the enormous power wielded by an officialdom feeding on $2 billion annually and controlling many times that many billions in long-term deals and business contracts—all of this operates to dwarf the individual and to divorce him from all control of his fate.

The consequence is inevitable. Today, wherever one goes in New York, wherever one hears protest against injustice or fancied injustice, one listens to a baffled public denouncing a great impersonal "they." It is "they" who are imposing new and onerous taxes; "they" who are razing indiscriminately an entire neighborhood, the good buildings with the bad, for some devious purpose of their own; "they" who are harassing the businessman or the apartment owner or the plain, average citizen. Sometimes, it is true, an identification is given to this weird, impersonal "they," but even the identification tends to become a group identification—"the cops" or "City Hall" or "the mob" or "the bosses."

The use of the omnipresent "they" symbolizes graphically the sharp cleavage between the disparate lives of New York: the lives of the congested and struggling and essentially

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helpless millions, and the lives of an official and business aristocracy which has lost virtually all of its old connections with the grass roots. If it was true that, in the old Boston, the Cabots spoke only to the Lowells and the Lowells spoke only to God, it is even more true in today's New York that power speaks only to power, and no further.

The power is of many kinds and degrees, but its varying forms have one thing in common. It is derived from the top, not the bottom. The men who control the $2 billion-a-year city government deal only with their counterparts—with the men who wield millions in private finance, with the men whose fortunes control all the large media of public opinion, with the new emperors of Madison Avenue who, through cultivation of the technique of making a rancid herring smell sweet, have become the go-between in every big deal.

This rule by power barons has rendered sterile and useless one of the key figures of old-line city politics, the district leader. Even in the worst days of Tammany Hall, the all-powerful Democratic organization that rules Manhattan and dominates city government, the political machine had liaison with its people through the district leader. The machine might be totally corrupt, but it had its fingers on the pulse of block and ward and, when the pulse beat stepped up to angry tempo, it heeded the warning — or ignored it at its peril. It is hardly possible to overemphasize the importance of this old, basic relationship. If an immigrant family was homeless and starving, the district leader busied himself to help, to see that it got a home and food and a job. If the people of a ward were aroused about a local injustice, the district leader carried their complaints to the halls of the mighty, and often enough something was done to pacify his constituents. Bad as the district leader or the machine might be, the people had through their local politicians a chain of communication with their representatives in government; and if their leaders could not or did not represent them properly, responsibility could be fixed and changes made.

Today this essential chain has been broken; this vital communication has been lost.

The district leader has been shorn of his old functions as the Lord Bountiful and the guardian of his people; and as he has lost this elemental reason for existence, he has been deprived of the influence his following used to give him with the men upstairs. No longer is he the source of food to the starving, jobs for the needy. Welfare is administered by one of those great, impersonal city agencies directed from the top at City Hall. The finding of jobs is the function of the employment bureau. The services that cater to the most fundamental needs of the people now filter down from the top. One cannot understand what is happening in today's New York unless one understands the significance of this change.

Significant Change

Let's listen to some of the men who have been closest to the current administration of Mayor Robert F. Wagner. All agree with this analysis of the eclipse of the district leader, and all agree that it represents a drastic change in the functioning mechanics of democracy. William Peer, former executive secretary to Mayor Wagner, puts it this way: "The district leader has no power. He can't produce. The old-fashioned political boss filled the gap between what the little guy could do for himself and what society could do for him. Now, if you're locked up, you go to the Legal Aid. If you need food, you go to Welfare. The leader has a hard time trying to do something for someone."

Peer recalls a significant conversation he had with the late James J. Hines, long a power in the old Tammany and a man who was broken and jailed by Thomas E. Dewey in Dewey's racket-busting days. Hines surprised Peer by pointing out that the last political boss of the old type, with close ties to his people, was the late Vito Marcantonio, the left-wing Congressman from East Harlem. "That may seem strange, but it's true," Peer says. While Marcantonio survived, the doors of his office were open not just to the people of his district, but to the people of the city. Everyone with a problem came to him seeking help, and sometimes they got it. Hines contended that this was the reason Marcantonio lasted so long as a political force, despite the unorthodoxy of his views; and then the old Tammany boss went on to analyze the enormous void that has been opened up by the withering away of the district leader. "He pointed out to me," Peer says, "that things aren't like they used to be — that we are in 'a period of transition between representation of the little guy by politicians, and by social organizations.' The transition is not complete, and the little guy is worse off than ever."

A similar view is expressed by Sydney S. Baron, the Madison Avenue public-relations man. Baron has played a major behind-the-scenes role in masterminding the campaigns of Mayor Wagner, and he practically alone is responsible for seeing that the current Tammany boss, Carmine G. De Sapio, presents a "new-style," appealing, image to the public. An expert on the inner workings of the new Tammany, Baron says: "The district leader has been relegated to an inferior position. The best he can do is lend his headquarters to support Red Cross drives and soap campaigns. An accomplished leader might speak up on behalf of the need for a new branch of the public library in his bailiwick. He is no longer an effective liaison between his people and government. He is no longer a bridge between government and the little guy. He has just about lost his reason for being."

Power at the Top

A man considered to be among the most astute in the Wagner administration probes a little deeper. "It is the bigness of government that has killed the district leader," he says. "They apparently couldn't see how they were losing their grip. But, at the top, new resources, new techniques, were developed. The guy that is worse off today is the guy in the street. The party leader now has more power concentrated in his hands, and the people are less responsible for it."

This theme of concentration of power at the top runs through every

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discussion that one holds today with men who know the inside of modern politics. We pointed out to one of these prominent insiders that there are still district leaders who wield enormous influence if a fix is to be put in or a favor curried. He agreed, but promptly made the vital distinction. "In every case, without exception," he said, "their power in Tammany Hall is a measure of their closeness to Carmine De Sapio, not a measure of their strength as district leaders."

Emphasis was added to this conclusion by one of the city's veterans of Tammany wars, a man who has spent a lifetime in the game of politics and who is now bitterly at odds with the De Sapio leadership. Scathingly, he analyzed the new system in which all of the old rules of responsibility have been reversed, in which the channels of power grow down, not up. "De Sapio puts in his own leaders," he explains. "He has reduced the district leader to a nonentity. He moves them in and out like checkers. He hires and fires them at will. He has the resources and the rules with him. Most people don't realize it, but he has more power concentrated in his hands than any man since Boss Tweed."

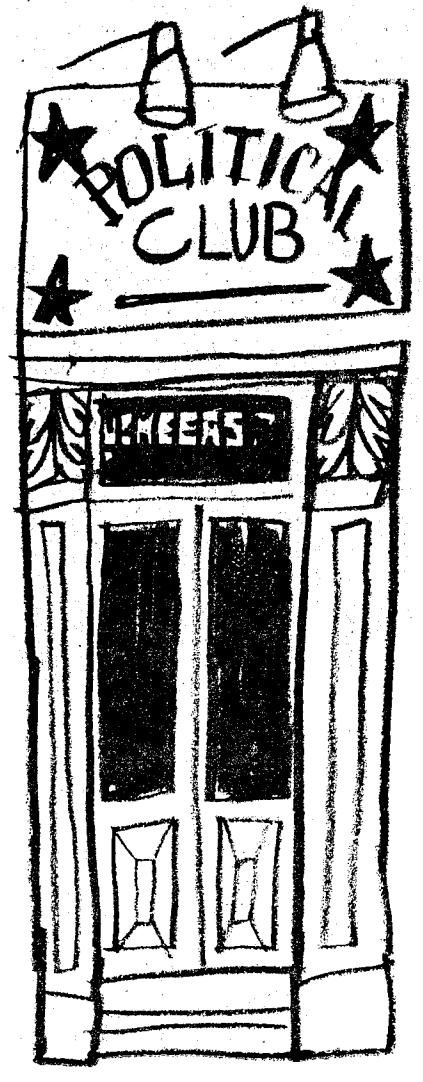
Moses the Mighty

What are the effects of this new, administered power-from-the-top that reverses all the old rules of democracy? What happens when the government of a great city is no longer responsive to its people? As two reporters who have watched the changing New York scene for years, we have listened to the language of the people, expressed in a variety of ways, in terms ranging from quiet hopelessness to bitterness and outrage. Many of the complaints have dealt with New York's gigantic postwar slum-clearance program. It is a program in which great areas of the city are being torn down with municipal and federal aid, and private funds are being encouraged to participate in the rebuilding. The program has been administered by Robert Moses, sometimes called "the great doer" and widely regarded as the patron saint of the concept of the public authority as the perfect solution for municipal ills.

Moses has never held elective office, but as the head of numerous public authorities, yielding fantastic millions in revenue, he is probably the most powerful single man in New York State. Under his aegis, New York City has drafted a gigantic $1.5 billion slum-clearance program—a program administered from the top, arranged among private business interests, City Hall and Moses; a program in which the people involved have only a token voice; a program which has been repeatedly criticized for the ruthlessness with which it has uprooted people who cannot find adequate homes elsewhere.

Let's listen to a former Congressman who, with some of the district leaders, had fought this power play. He was so angry that he was practically frothing when he spoke to us.

"They are making gypsies of the people of this city," he sputtered. "I know families that have been shuttled five and six times from one area that is to be demolished to another that is to be torn down six months or a year from now. We are spending millions to clear slums—and we are creating new slums all over the place. I can take you into one area in my district where it is nothing to find whole groups of families that have been moved three and four times.



"What happens is this: the developers put up eviction notices—everybody must get out within five or six weeks. Those who don't know any better—the aged, the spinsters, childless couples—panic and get out. All the people who can be pushed or scared are gotten rid of; then they say to the rest, 'Look, we have another site that we're going to develop sometime in the future. We'll locate you there.' They move in; the people live there for a time; then the process begins all over again.

"This isn't in my district, but it's true. In the N.Y.U.-Bellevue project on the East Side, there was a great outcry because the neighborhood was one where a lot of old German and Irish families had lived all their lives, and they objected to being uprooted from their homes. Some of them had pretty good housing, too, not what you would call slum housing by a long shot. The district captains fought Moses bitterly on it—and lost. And so what's happened? All the old families were forced out, and the area became Puerto Rican. The Puerto Ricans can stay only for a time, until the developers are ready to tear down the buildings; then they'll be dumped somewhere else.

"This has been going on for more than ten years in this city, and all it does is make more slums. This used to be a city composed of a wide variety of solid, established neighborhoods, each with its own distinctive culture. One after another, they've been torn up, destroyed, scattered to the winds."

Talk to the people caught in this upheaval of so-called slum clearance and you find anger, rebellion, despair. One person we remember is a pharmacist. He had operated his own drug store in the same neighborhood for nearly thirty years. Then bulldozers came in to raze the area, and almost overnight, with no possibility

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of recompense for his loss of a valuable business site and the good will he had built up in thirty years of neighborhood service, he was forced to close his doors. He was angry at the world—at City Hall that in effect had decreed his business extinction, at the private developers who were carrying out the mandate with the prospect of enormous profits for themselves, at the city's press which, he felt, is now more preoccupied with recording the public utterances of officials than it is in crusading and fighting the wars of the people.

City Without a Soul

The illnesses of New York are many and they run deep. The ruthlessness of large-scale redevelopment, cloaked under the laudable aim of slum clearance, is only one of many cankers. Wherever you turn, there is crime. Some sections of the city are veritable jungles, the streets unsafe at night, the more remote sections of beautiful parks unsafe even in the daytime. Periodically, youthful gangs explode in violence that makes sickening, sensational headlines. There are gang fights, muggings, rapes in the schools, murders. It is commonplace for a horrified press to blame these excesses upon the especial "depravity" of the new, rising and degenerate generation. But it is perhaps even more reasonable to view them as the expressions of a sick society—as the kind of outbursts that are inevitable in a city that, in many respects, has lost its very soul.

Again let's listen to the voices of men who have known New York long and well. Let's listen first to the old Tammany veteran, now *persona non grata* with the De Sapio regime. Let's allow for the bitterness of a man who has been cast from the fold, but let's remember, too, that no man in New York has a more intimate knowledge of the inside of politics. This is what he says:

"Every town has its Tammany Hall. I'm no lily, but this is the limit. I've never seen it so bad in a lifetime of politics. You ask me what's wrong with Tammany Hall? The Mafia. The underworld and the leaders they control—and a press agentry that makes a fool of Lincoln's statement that you can't fool all of the people all of the time.

"If it is not Frank Costello today, it is whoever can make it pay for the privilege of making book, numbers, pimping, selling junk or anything else that is illegal. Today, if a political boss arrived at his office and found that in his absence the Mayor, the Governor and Genovese [Vito Genovese, often called the kingmaker of gangdom], had phoned, he would call Genovese back first.

"Like anywhere, the little guy in the street wants a ticket fixed. Or maybe he wants to get on or off a jury. But he's paying one helluva price for it in the long run. Can't they see the fantastic and open connections of politics with the mob? It doesn't make any difference what the party is. I can name you one election in this town some years ago where all of the top candidates were controlled by the mob. One was owned by Thomas (Three-Finger Brown) Luchese; one by Costello; one by Genovese. The mob couldn't lose. They had it sewed up."

A shocking analysis? Overdrawn? Untrue? It *must* be untrue, musn't it? You think so, perhaps, but then an assignment takes you across the East River to Brooklyn. A girl has been raped in a school yard, and your editor wants to know how such things can happen; he wants a real, rip-snorting, indignation story about this new hoodlum generation.

The Unprinted Story

You get in touch with an old contact. He's a man who was once mixed up with the mob himself, but that was years ago. He's happily married now, proud of his family; he's been going straight for years, running his own small business. You've found out before that the information he gives you about developments in his neighborhood is accurate; you know he knows what's going on. And so you begin to ask him for the low-down on the young hoods who are terrorizing the section. And, suddenly, to your surprise, he explodes.

"You know goddamned well you'll never print the real story," he says. "I don't know if it's you or not, maybe it's your boss, maybe it's everything. But you'll never write this stuff, not the truth. There's no one with guts any more.

"You wanna know why the kids get so out of hand? It's all the reasons you won't put in your newspaper, but that isn't even the beginning. It's rotten from top to bottom. I'll tell you what I think about the kids. The schools? That's not the real problem."

He switched the theme for a moment, harking back to New York's greatest modern, out-in-the-open scandal—the Harry Gross bookmaking investigation in Brooklyn in 1950. Gross was a pudgy, flashily-dressed, wisecracking, completely amoral bookie. He ran a $20-million-a-year business and bragged that he had 300 cops on his payroll. When Miles McDonald, an honest and crusading district attorney, did the unheard of by arresting Gross and breaking up the deal, the reverberations shook the official fabric of New York. Mayor William O'Dwyer suddenly resigned and heeded the call to greater public service as U.S. Ambassador to Mexico. The Police Commissioner quit; so did his two top aides; and from the ranks, sudden retirement applications flooded into the Police Department. Gross agreed to turn state's evidence, but on the eve of a mass cop-bribery trial, he gave his guardians the slip and went to a private conference with the rulers of Eastern gangdom. The result: Gross subsequently took the witness stand and balked; the entire cop-bribery case went out of the window; and New York officialdom recovered from its worst modern case of jitters.

Now, standing on a Brooklyn street while jackhammers ripped up the pavement to lay new utility lines and overhead welders worked on the El, the man who knows Brooklyn from the bottom up recalled the old Gross scandal and added:

"Who went to jail? Just Gross and a few cops for perjury. Believe me, the same bulls that used to pick up my kick at the end of every week are still making the rounds. At best, the racket just ran in second gear for awhile. There are some good cops and some I owe a lot to for just being men—but it's the guys at the top. The guys on the beat just have petty stuff. It's the captains, the district men, on up. They

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take as little or as much as they can get.

"An operation as big as it ever was is going on right here now. I could spit on it from here. You mean to say your paper doesn't know that? How many guys that work for you play the horses? Well, where the hell do they do it? You mean to say the cops don't know? A blind man could see it. The kids know it, too. It's all too big.

"It's the same with the kids; they get shook down, too. Where the hell do you think they learned it? The bulls bust you for hanging around the corner (they know who's got the action) and they take you to the station. The kid can get off for $5 or whatever he's got. You pay as much as you can afford, guilty or innocent. The kids are stealing everything in sight, whiskey, typewriters, anything they can get their hands on. They hit me three times in seven months one time. These kids lived up through it all—the gutters, fighting for survival, bookies, cops that take, parents that don't care and now couldn't do anything if they did. They probably know the difference between right and wrong, but it doesn't matter. Knives, guns, wild sex—all picked up from their elders. These, as well as lack of respect, are part of the rules of their game now. If the rest of the city is appalled when they realize this, it's just because they weren't paying attention. It has been here long enough for someone to take notice of it. Those are simple facts—but who'll say it? Nobody has guts any more."

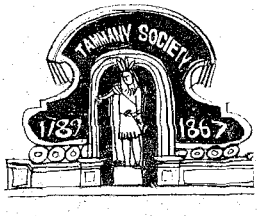
Acceptance of Crime

You come away shaking your head, but you can't shake off the angry passion of the man in Brooklyn. You know, if you can judge a man at all and you think you can, that he spoke from the heart; and you know of your own knowledge that many of the things he says are true. You know that there never was a time in New York when you couldn't get a bet down on a horse with less difficulty than it takes to get a cup of coffee.

Even so, you might have been tempted to give present-day New York the benefit of the doubt. The human mind likes to soothe itself with the pleasing reflection that things can't be so bad after all; the world is a pretty good place; matters often look worse than they really are. All of the old clichés of comfort lose their persuasiveness, however, when one considers a sensational double murder that happened just a little more than a year ago.

We will deal with the murder, and its astonishing denouement, later on. It is a story that no official of New York has had the belated decency to acknowledge. It is a story that we can tell only because we spent weeks tracking down every angle, spent weeks trying to get information that authorities had at their fingertips hours after the crime. When the investigative work was done, when the reportorial half of this writing team finally confronted a high-ranking detective with the evidence that had been gathered, this official erupted in a wrath that threatened physical violence. But, finally, after a hot session of name-calling, he admitted with a kind of strangled anger: "Sure, we know you are right!"

The admission is one that, to us, speaks volumes about New York. When the rights of an eight-year-old boy can be callously disregarded, no defense can be offered for the society, for the system, that allows such things to happen. It could happen only in a city corrupted beyond recall; in a city where all the power comes from the top, where all liaison has been lost with people and the rights of people; in a city where the only thing that matters is the play for personal wealth and glory and power. What follows is the story of that city and the story, so far as we can tell it, of how it got that way.



PART 2 THE MEN BEHIND THE TIGER

THE ROOTS of today's New York go back to the end of World War II and William O'Dwyer. When the war ended, a political epoch ended with it. The age that was passing had been symbolized on the national scene by Franklin Roosevelt; it was the age of the thirties, of depression, of political ferment, of reform. It had begun in New York in 1932 when the administration of witty, fun-loving James J. Walker collapsed in a series of scandals that shocked the nation. Walker abdicated as Mayor and departed hastily for a long sojourn in the south of France. With his departure, Tammany Hall suffered one of its longest periods of black disgrace. The Tammany Tiger usually rules the Democratic empire in New York; rare, indeed, is the year in which it is barred from the Mayor's office. But the Walker administration scandals had been too much, even for blasé New York. All the reform, anti-Tammany elements united in the Fusion Party; and with a cocky, colorful World War I aviator, Fiorello H. LaGuardia, showing the way, Fusion took over City Hall. It was to rule for twelve years.

But by 1945, by the end of World War II, Fusion and LaGuardia had run their course. Fusion, held together for so long by the magnetism of LaGuardia and the influence of aging Judge Samuel Seabury, the investigator who had exposed the sins of the Walker administration, was disintegrating into its separate elements.

The Republican leaders, possessed of the delusion that they might some day capture control of the city government, no longer wanted to cooperate with liberals and anti-Tammany Democrats. LaGuardia, who was soon to die of cancer, was incapable of running for a fourth term. The result was a political vacuum—ideal climate for a knight on a white

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charger. And so William O'Dwyer and the hour met.

O'Dwyer had established a headline reputation as a great crime crusader. With care and skill, he had manufactured a public image of himself in the tradition of Dewey. Elected District Attorney of Kings County (Brooklyn) in 1940, he had promptly entered the lists against the forces of evil. Luck had helped him. Shortly after he took office, an insignificant mob punk who had been arrested on a minor charge and felt he had been double-crossed, squealed out the macabre story of Murder Inc.

This was a Brooklyn combine of sadistic killers, cheap thugs and brutal shakedown artists. Murder was both their pastime and their business, and for years a trail of corpses that spread all the way from Brooklyn to a North Jersey lime pit had offered graphic testimony to their efficiency. Oddly, no one in official position had busted any tendons trying to interfere. The police tend to write off such mob killings as the fortunate elimination of vermin and go through no more than routine investigative paces. In Brooklyn, the result had been just what it always is: Murder Inc. had grown bold and lethal, and mobdom's rule by terror had been enhanced by the non-interference of the law. It had been an almost-perfect setup until the day the aggrieved little pigeon sang into the ears of O'Dwyer.

William O'Dwyer

Blazoning Murder Inc.

O'Dwyer began a lively campaign that catapulted the name of Murder Inc. into headlines across the nation. The drive looked good at the time, but once it had spent its force, it became more significant for things left unaccomplished than for things achieved. The net result was precisely this: O'Dwyer sent a long line of rank-and-file punks to the electric chair in Sing Sing, but (to use an expressive bit of New Yorkese) not a single one of their masters, none of the top hierarchy of Murder Inc., "ever got hoited."

O'Dwyer always gave the impression that he was about to lay the masters of murder by the heels, but he never did. In one sequence that would have been appreciated by Gilbert and Sullivan, he even proclaimed that he had "a perfect murder case" against Albert Anastasia, the boss of the murder mob, the Lord High Executioner of gangdom. Headlines proclaimed that the fighting prosecutor was out to get the killer of killers; an alarm was sent out for Anastasia. All the time, later evidence indicated, Anastasia was enjoying life in his North Jersey mansion just across the Hudson River from New York. Some nights he even crossed into the city, where he was so badly wanted, to enjoy life with his friends.

How Anastasia must have laughed at the headlines! For O'Dwyer never inconvenienced him by any procedure so crude as an arrest and a grilling. He never rushed his "perfect murder case" before a grand jury to get an indictment. Instead, he dawdled just beyond the threshold of the throne room occupied by the Lord High Executioner; and, in this strategic pause, a key witness, Abe Reles, the most important of the "singing" mobsters, went to his death out a high window of the Half-Moon Hotel in Coney Island almost under the eyes of O'Dwyer's guards. O'Dwyer later explained to the Kefauver Committee that Reles was a practical joker, a real cutup, and that, no doubt about it, he had slipped and fallen to his death while trying to climb out of the window just to play a trick on his custodians. The Reles that O'Dwyer described is different from the Reles most other persons seem to have known, and to this day a hard core of cynics contends that Reles would never have gone out of that window voluntarily.

While the furore over the Reles mystery clouded the last steps of the great O'Dwyer crusade against Murder Inc., it didn't stop the meteoric rise of the crusader. Capitalizing on the overwhelming hero image created by the headlines, O'Dwyer ran for mayor against LaGuardia in 1941 and almost won. The margin was so close that most politicians knew the setback was only temporary — that O'Dwyer could look with confidence to the future.

Building for that future, O'Dwyer now turned his back upon the Murder Inc. business and joined the wartime army, swiftly rising to the rank of Brigadier General. While he was lending his talents to the winning of the war, in the Brooklyn he had left behind him the "perfect murder case" against Anastasia was collapsing, completely and farcically. The police "wanted" cards on the Lord High Executioner vanished right out of the police files. Even now, today, nobody knows how it was done. The nearest thing to an explanation came from James J. Moran, O'Dwyer's long-time chief clerk and Man Friday. Moran, now serving a long prison term for running a shakedown racket, acknowledged in one crime probe that it was just possible he might have ordered the deed. Whether he did or not, it is clear that somebody took care of Anastasia, for there was nothing in the New York police files to show that the most feared killer in the underworld had ever been wanted for anything — even a parking ticket.

The Heroic Prosecutor

Looking back on O'Dwyer's achievements now, with the perspective that time gives, a man who has been intimate for years with the inner workings of New York politics comments sarcastically on the great Murder Inc. crusade:

"All that happened was that the mob threw him some of the cowboys to take the heat off the bigshots."

In any event, the dramatic Mur-

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der Inc. build-up had given O'Dwyer a name that would be long remembered, and while he added to his public stature through military service, he laid the groundwork for 1945 in conferences with the boys back home. The Kefauver Committee disclosed that one of the first of these conferences was held in December, 1942. The date is significant. It was less than six months after O'Dwyer had stopped fighting crime and joined the military, and the conference brought together the much-publicized foe of the legions of darkness and the man who led the legions, Frank Costello.

Fiction writers and authors of Grade B Hollywood scenarios have exercised their talents for years on variations of the plot in which the sinister underworld boss controls the local political machine and dominates police and courts and justice. Perhaps the melodramatics of the Grade B thriller help to keep Americans from believing the real thing when they see it; but Frank Costello, make no mistake about it, was the real thing.

Meet Mr. Costello

He was a Don of the Mafia, the ruler of the then-dominant Eastern wing of the national crime syndicate and, above all, the undercover boss of Tammany Hall. Even though the LaGuardia administration had held power for some nine years at the time of this 1942 conference, Costello and the syndicate still rode high. LaGuardia frequently denounced the rulers of the New York mob as "tinhorns," a term expressive of his personal contempt, but hardly a service to the truth. For these were "tinhorns" who had made fantastic millions in Prohibition bootlegging; had pyramided these millions with still more and equally fantastic millions in big-time syndicate gambling; had used the amalgamated millions to run a wide variety of rackets, to buy into legitimate businesses, to purchase political power and influence and protection. Frank Costello was the living proof of an adage of modern, cynical America — that, if you have enough money, no matter how you got it, you can do almost anything.

Skeptics who find it difficult to believe that gangdom exercises such tremendous political power might have been convinced could they have seen the men who assembled in Costello's luxurious penthouse apartment to meet O'Dwyer. Present were: Representative Michael J. Kennedy, then leader of Tammany Hall; Bert Stand, long-time secretary of Tammany under different leaders; Surrogate Anthony B. Savarese, a Queens County Republican with important Tammany connections; and Irving Sherman, a garment-district mystery man who knew all the best racketeers personally and was once described by FBI Director J. Edgar Hoover as "one of the most prominent criminals in the country."

O'Dwyer's version of this interesting gathering, as given later to the Kefauver Committee, was that he had been investigating a war-frauds case, had gone to Costello to see if he could get information about an underworld character, and that when he had walked into the racketeer's apartment, surprise! there were all these fine people waiting to meet him. O'Dwyer described himself as having been quite overcome — but not so overcome, he insisted, as to forget himself and talk politics. Oh, no, he talked about the war-frauds case, found out Costello couldn't help him — and left.

It was, of course, just a coincidence that the men whom O'Dwyer met in Costello's apartment in 1942 were precisely the men who could play a big hand in giving him the mayoralty nomination in 1945. It was just a coincidence that, after this and subsequent meetings with Costello, Tammany Hall endorsed O'Dwyer. Just a coincidence that racket figure Irving Sherman became, as O'Dwyer admitted, a real buddy, getting O'Dwyer beautiful suites in wartime-cramped Washington hotels and eventually putting "the bite on the boys" to raise money for O'Dwyer's 1945 campaign. Everything was, of course, just a chain of coincidences, but they were the kind of coincidences that had the habit of happening in the 1940s when Frank Costello pulled the hidden strings that activated Tammany Hall.

Usually, the master gangster's manipulation of his political puppets was a secret thing, but occasionally

Frank Costello

the hand showed. In 1943, less than a year after O'Dwyer's as yet unknown meeting with Costello in the latter's apartment, District Attorney Frank S. Hogan caused another of those fast-appearing, fast-disappearing New York sensations when he released the details of a startling conversation his sleuths had picked up while listening in on a legal wiretap on Costello's phone. Thomas A. Aurelio had just received the coveted Democratic nomination for the state supreme court; the Republicans also had endorsed him. Aurelio was doubtless well qualified and later became, as is generally recognized, a good jurist; but Hogan's detectives had overheard him telephoning Costello his effusive thanks for the nomination. After the two men had exchanged pleasantries, Costello told Aurelio, with the smugness of an emperor in his tones: "When I tell you something is in the bag, you can rest assured."

The Grateful Jurist

And Aurelio replied: "Right now I want to assure you of my loyalty for all you have done. It's undying."

This excessive gratitude of a man who was about to sit on one of the state's highest courts to the No. 1 gangster in the nation shocked even shock-proof New York for a time, but both the shock and the memory eventually passed. Now, when the Aurelio incident is recalled, it is sometimes sloughed off as an isolated miscue of no particular significance. Often the mistake is made of assum-

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ing that the publicity and exposure weakened Costello's power; that, while he may have had great influence in Tammany Hall in the early forties, his reign was of relatively short duration. Actually, there is abundant evidence to indicate that Costello was the dominant, behind-the-scenes power in Tammany during the entire decade of the 1940s, and that his grip on the political machine was not broken until the Kefauver Committee exposed his nervously-twitching fingers and his rasping voice to a startled American public in the nationally televised crime hearings of 1951.

The only real effect that the Aurelio furore in 1943 appears to have had was that it caused some face-saving changes. Kennedy, the Tammany leader who had been present at the O'Dwyer conference, departed in a 1944 tussle for the leadership. Edward Loughlin succeeded him, but Clarence Neal was the real power behind Loughlin — and Neal and Costello were close friends. How close was vividly demonstrated in testimony before the New York State Crime Commission in 1952.

Costello's Puppets

At that time, Danny Neustein, a district leader on the lower East Side, testified that he had bucked Loughlin in the leadership fight in 1944. When Loughlin won, Neustein said, he had to retire. Significantly, in view of the pattern of power-from-the-top politics that exists today, Neustein got the word that he was through not from the people of his district whom, presumably, he represented, but from the leadership. The bad news was conveyed to him by his own local captains, who told him they had received this ultimatum from Neal: quit Neustein or lose your city jobs. One of the captains, Neustein said, told him frankly that "the boss didn't want me any more."

"Who was the boss?" Neustein was asked.

"The boss presumably was Frank Costello," he answered.

After O'Dwyer became Mayor, trampling over the faintly twitching corpse of Fusion, he made frequent noises about cleaning up Tammany Hall, and he tried on occasion to capture the leadership with one of his own stooges. But he was never successful. Costello retained his iron grip. In 1947 and 1948, Hugo E. Rogers was the Tammany leader, and in its report the Kefauver Committee noted that, during this period, "Costello again rode very high." The racketeer was on exceptionally friendly terms with Rogers; he was intimate with Francis X. Mancuso, the leading figure behind Rogers; and moreover, according to the Kefauver probers, "four members of the Tammany steering committee were all very good friends of Costello. . . ."

The racketeer who wielded such heavy influence in the top echelons of Tammany could and did select candidates at will. The Aurelio nomination was not an isolated incident; it was just the one that happened to get headline publicity. What Costello did for Aurelio, he did for others. An example — one that has all the overtones of his remark to Aurelio, "When I tell you something is in the bag, you can rest assured" — is recounted by John Ferris, a veteran Associated Press reporter now with the New York *World-Telegram and Sun*. One of the newspaperman's more vivid memories from a lifetime of top-level reporting deals with the autocratic manner in which Costello selected a Congressional candidate for a Staten Island district in the late 1940s. The story was told to Ferris by a Catholic priest, after the Kefauver Committee had caused a sensation with its exposure of Costello's influence. The priest, at the time, was stationed at a mission in lower Manhattan. One day a wealthy Manhattan businessman whom he knew, and who lived on Staten Island, came to him and said that he had been thinking, now that he had made his mark in business, that he would like to run for Congress. Did the priest know how it could be done, whom he should see? The priest told him that he didn't know anything about the inside workings of politics, but he did know a couple of persons around City Hall, and would tell them that the businessman was interested.

True to his word, and not having the slightest idea where all this was going to lead, the priest mentioned to his City Hall acquaintances that the Manhattan businessman wanted to run for Congress. Sometime afterwards, he received a telephone call from one of New York's high-priced public-relations outfits. Could he bring his prospective candidate to a conference at the Copacabana, one of New York's more famous East Side night clubs? The priest could — and did.

At the appointed hour, he and his candidate walked into the Copacabana; waiting to receive them were the public-relations man — and Frank Costello. The boss racketeer, garbed and groomed like a conservative millionaire, at once began to question the affluent businessman about his political ambitions.

His Word Was Law

Parenthetically, it should be pointed out that Tammany Hall is simply the Democratic organization in Manhattan and that Manhattan is just one of New York's five boroughs. Richmond County, which embraces Staten Island, was technically outside of Costello's jurisdiction, but at the Copacabana meeting this fact did not bother Costello.

After some discussion, he brought the conference to a close, remarking that, since it was summertime, he supposed the businessman would be taking a vacation and would like to get his political future settled before he left. The businessman acknowledged that such, indeed, was the case.

"Well, don't worry about it," Costello told him. "Go ahead and take your vacation. I can tell you now: you will be the candidate."

That was all there was to it. The businessman received the nomination. The district in which he was running was one that the Democrats rarely carried, which may have had something to do with the ease with which he was selected, and he was defeated by the Republican candidate in the general election in November. But the significant fact remains that, as in the Aurelio case, Costello's word was law. What he said would happen did happen.

Just as graphic and even more important for the present day were the events of 1949. Kefauver was not even a faint cloud on the horizon at the time, and everything indicates that Costello's power was still su-

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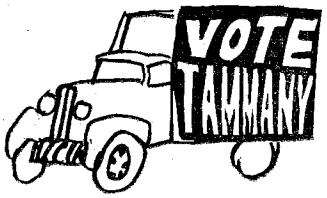
preme. The year was one of vital decisions. Hugo Rogers' much criticized rule of Tammany Hall was wearing thin, and William O'Dwyer's term as Mayor was expiring. The question of leadership, both inside Tammany and inside City Hall, had to be decided.

O'Dwyer's About-Face

The decision that was most in the open and most acutely concerned the public involved the identity of the Mayor of New York for the next four years. O'Dwyer let it be known that he had had enough; he wanted to retire. His wish was no secret. It was well-aired in the newspapers at the time, and there was much speculation about who would succeed him. The straightest inside political information indicated that the Democrats almost certainly would settle on District Attorney Hogan. A quiet man with a reputation as a highly efficient prosecutor, Hogan had been a protégé of Dewey, and as such when he had run for District Attorney, he always had been supported by Republicans as well as Democrats. He was in the ideal position, for a politician, of a man beloved by everybody. So far had affairs progressed that Hogan's designation appeared to be a certainty; but just when it seemed most certain, the political picture did a complete flip-flop almost overnight. O'Dwyer announced that he wasn't going to retire after all; yielding to public pressure, he was going to run again.

The mystery of the about-face was never satisfactorily explained at the time, but political insiders now give what seems like a plausible version. What happened, they say, was simply this: deep down in the web of Tammany politics, Frank Costello decided he would rather have O'Dwyer in City Hall than Hogan. From the mob's standpoint, Hogan was a risky proposition, while O'Dwyer, after four years, was a known quantity. So Costello simply got on the telephone and spread the word that O'Dwyer was going to have to run again for the good of the party. Whether O'Dwyer knew the basis of his sudden surge of popularity isn't clear, but he yielded to the draft as politicians always do. He ran a second time and was elected.

It is against this background of long-continued, pivotal Costello influence in the affairs of Tammany that one has to assess the second change in leadership that was made in this same year of 1949. That second decision involved the selection of a new boss for Tammany Hall, and the verdict that was rendered then underlies much of what is happening in New York today. For out of the morass of a Costello-dominated Tammany popped the man who still rules the Hall, the man who for nearly a decade has been widely credited with painting a new face on the Tiger. He is Carmine G. De Sapio, the most powerful politician in New York State and one of the most powerful in the nation — a man who, if anything is certain in politics, will undoubtedly have something to say about the selection of the Democratic Presidential candidate in 1960.



PART 3 THE TWO FACES OF DE SAPIO

CARMINE DE SAPIO is two men, one the complete antithesis of the other. He is, as the record shows, a tough and ruthless political boss; he is at the same time a professional lecturer who can out-egghead the eggheads in a college classroom on the theme of a politician's responsibilities and the greater public good. When he becomes excited, he is still a "dese and dose" type from Greenwich Village; but when he is being his cultured and cultivated self, he speaks a precise and faultless English that would do credit to Groton, Harvard and the Village literati. He is a man who dresses now like a Man of Distinction—and one who is not many years removed from the loud, sporting type. He is a political boss who vows his detestation of the rackets, who insists loudly and long that he has purified and reformed Tammany—and he is a man who, all the way up to the pinnacle, had clearly visible racket ties.

These devastating contrasts in the personality of Carmine Gerard De Sapio have baffled the best political pundits. Unable to make up their minds about which of the De Sapios they see is the real one, they have called him "one of the most enigmatic and puzzling figures in American politics"; a "new-type" political boss; and, in an admiring *Harper's* article, "The Smile on the Face of the Tiger." Here is a discreet type of journalistic approach that has resulted in veritable bales of favorable publicity for the man who now runs Tammany Hall and dominates the inner workings of New York City government. Even though the city's press is overwhelmingly Republican and Tammany is its favorite whipping boy, editorial pages reveal little more than a not very well-concealed wish to flay De Sapio—and almost complete frustration as to how best to apply the lash.

Image and Reality

Yet, if you are one who does not believe in the possibility of the complete metamorphosis of the fully matured human personality, the riddle of Carmine De Sapio may not be so hard to understand. If you do not believe that a man can live into his forties following a certain path, and then suddenly become a completely different man following a completely different path, you may well conclude that the original Carmine De Sapio is the real Carmine De Sapio and that much of the confusion about the true nature of the man is the work of one of the bastard arts of our age, the skill of Madison

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Avenue in making false images look real.

De Sapio was born 51 years ago in lower Greenwich Village, an area that was then about 95 per cent Irish and 5 per cent Italian (almost the exact reverse of today). This start in life as a member of a despised minority appears to have had a profound effect upon the political boss. He still winces, still gets angry, at the memory of the way the derisive term "Wop" was flung at him as a boy. An underdog, he began to run hard early, and he has run hard all his life. His parents had established a stable for dray horses in the rear of their first-floor apartment home, and they conducted their own haulage business. As a boy, De Sapio helped out cleaning the stables and currying the horses. From his earliest youth, he worked tirelessly; many times, he was out on the docks at 3 A.M. hustling hauling jobs. The traits that developed from such experiences form one of the true and undeviating strands in the personality of the complex and confusing man of today. As a boy, he worked long hours, made no intimate friends; as the boss of Tammany Hall, he keeps a killing work schedule that often sees him on the go eighteen hours a day, and no man, unless it is his press agent, Sydney Baron, can really be said to know him.

Politics fascinated De Sapio as a young man. He began to hang around the local Tammany club. He ran errands, chauffeured, made himself useful in getting out the vote. He was rewarded with a job as secretary to a municipal judge, and with this he began his climb. In 1939, he founded his own Tamawa Club and made his bid for district leadership. When he won, Tammany refused him recognition; the old Irish bosses of the machine weren't willing to take an upstart young Italian into their inner circle. In protest, De Sapio actually picketed the Hall, and with the drive and determination that is characteristic of him, he kept running for the leadership of his district every chance he got. He won again in 1941—and was rejected; won a third time in 1943—and finally was seated on the Tammany executive committee. Just six short years later, just six years past the dividing line between rejection and acceptance, he ruled the entire works.

How did this miracle come to pass?

It is a murky story, and the truth is of many complexions, depending on the viewpoint of the narrator. Just one thing appears clear. The period of the 1940s, when De Sapio was first seated on the Tammany executive committee and rose swiftly to supreme power, was the very era when Frank Costello was the behind-the-scenes emperor of the Hall. The year of De Sapio's acceptance into the inner circle (1943) was the year of Costello's complacent remark to Aurelio about the latter's nomination being in the bag; the year of De Sapio's accession to leadership (he took command on July 20, 1949) was the year that Costello was pulling the strings for a second mayoralty term for William O'Dwyer. It was the year also in which Costello committed his supreme audacity by flaunting his long-hidden power in public, summoning the elite of official New York to a glossy-coated, fund-raising charity affair, at which he was the host, in the Copacabana night club. Judges, legislators, political leaders of all complexions were the guests of Costello on that January night in 1949, and among the gathering was that rising young political star, soon to be named leader of Tammany—Carmine De Sapio.

Links to Rackets

De Sapio's links to Costello and other racket figures were probed by the Kefauver Committee in 1951 and the State Crime Commission in 1952. Kefauver's probers decided that, during the Tammany regime of Hugo Rogers, De Sapio's predecessor, Costello had four "very good friends" on the Tammany executive committee—and De Sapio was one of them. Costello himself told the committee that De Sapio had been a good friend of years' standing. Similarly, before the State Crime Commission, another eminent underworld czar, Thomas (Three-Finger Brown) Luchese, testified that he had met De Sapio "many times" and had been "to dinners of his club." The Kefauver group, in evaluating its evidence more than two years after De Sapio came to power, concluded that "Costello's influence continues . . . strong in the councils of the Democratic Party of New York County. . . . The pattern of crime and politics is well established in New York County."

Such evidence about the genesis of De Sapio's power seems conclusive. Joseph and Stewart Alsop in a *Saturday Evening Post* profile put it this way: "Obviously, in the '40s, De Sapio was indeed 'no reformer.' He was no enemy of Costello. He could not have been, for he could hardly have become leader over Costello's opposition. Costello may very well have given him a leg up."

The next question that arises is whether De Sapio became a changed man once he had completed his climb and seized the power he had so long coveted. And here the evidence seems equally conclusive that, at the outset of his reign in any event, he retained his earlier associations.

This was shown most clearly in the aftermath of the debacle with which De Sapio began his political masterminding. O'Dwyer had served less than a year of his second term when his administration was shaken by the first rumblings of the Harry Gross bookmaking scandal in Brooklyn. The smell of that $20 million-a-year ring with its reeking pay-offs was worse than that of the pig sties on the New Jersey meadows, and no man knew where it all might end. Ed Flynn, the Bronx Democratic boss, a powerful figure in national politics, hustled to Washington and conferred with Harry Truman. Soon afterwards, O'Dwyer became a diplomat and went off to Mexico as U.S. Ambassador, and almost at once, a scramble developed to see who should fill the empty seat in City Hall.

The First Pitfall

Vincent R. Impellitteri, who had been president of the City Council, was the interim Mayor and, quite naturally, he wanted to retain the title. But De Sapio and Flynn turned thumbs down on him and backed Ferdinand Pecora, a former judge and long-time party wheelhorse. In one of the most vituperative campaigns in years, the incredible happened. Impellitteri, pictured to the public as little and courageous "Impy," a mighty David wrestling with hulking Goliaths, defied the

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organization, captured the popular imagination and won.

The disaster almost unhorsed De Sapio. A new leader who leads to defeat in his first big test is not popular with his cohorts, and De Sapio teetered on the brink, retaining his grip only by a precarious one or two votes in the Tammany executive committee. In this crisis, the faithful came to the support of their besieged leader; and since it is in times like this that real colors are shown, real interests and powers revealed, it becomes intensely interesting to note just who the faithful were.

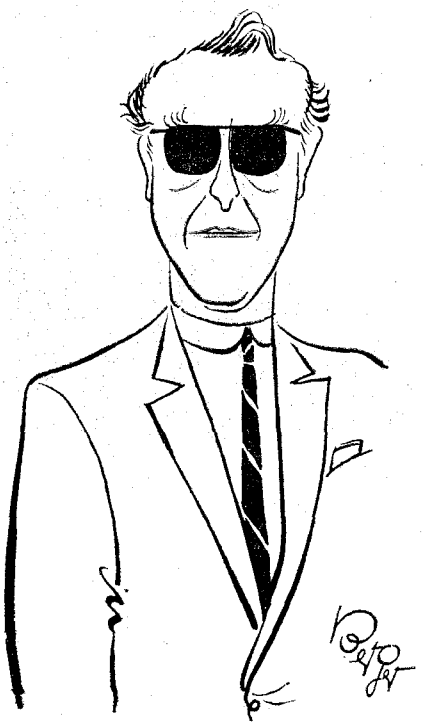
Inducements to Loyalty

A few days after the election that had been so calamitous for De Sapio, on Nov. 10, 1950, a luncheon meeting was held in the Hotel Statler to pledge support to the boss. Host at the meeting was Larry Knohl, a convicted embezzler and long-time associate of Costello. The invitations had been sent out by Sammy Kantor, a district leader close to both De Sapio and Costello. While no tape recorders were available to preserve Knohl's remarks for posterity, the State Crime Commission subsequently elicited testimony that this pal of Costello had pledged financial support to any leaders who suffered because of their loyalty to De Sapio.

This demonstration may be fairly considered to have exposed some of the roots of De Sapio's power. But it wasn't the only indication. Even more startling and significant was the story of what happened to former Judge Francis X. Mancuso, a district leader who had broken with the machine to support Impellitteri and who had refused pointedly to attend the Statler hail-to-the-chief rally.

Testifying before the State Crime Commission, Mancuso said that, a few days after he turned down the Statler invitation, he received a visit from two of Harlem's best-known gangsters in active business, Joe (Joe Stretch) Stracci and Joey Rao. They told him ("ordered" might be a better word) to step down as district leader. Mancuso refused. That same afternoon, a meeting of Mancuso's captains was called. Stretch and Rao handed out their ultimatum, and the captains voted to depose Mancuso. District Attorney Hogan, in later denouncing this procedure, said that the mere presence of Stretch and Rao had the same effect "as if they leveled a gun at the captains." Hogan called this "a shocking example of unsavory characters helping to influence a political decision."

Even this was not the end of the story. Shortly after Mancuso had been politically guillotined, De Sapio came along, received the pledge of full support from the intimidated captains—and thanked them for their loyalty.



Carmine De Sapio

Selective Memory

When questioned in later and more lofty years about such incidents, De Sapio protested ignorance. He knew nothing about the loyalty luncheon at the Statler, had no part in planning it; it was a complete surprise to him—as much of a surprise as it had been to William O'Dwyer when he walked into Frank Costello's apartment on a war-frauds case and found a select coterie of influential politicians waiting to receive him. As for the Joe Stretch-Joey Rao business—well, De Sapio says, it came about this way: He just happened to be in the neighborhood visiting an old friend and faithful party worker on the day Mancuso was deposed; his old friend introduced Stracci (who just happened to be in the old friend's house) as "a Mr. Stracci, not Joe Stretch." De Sapio insisted, "I didn't recognize the name."

It is against this kind of background that one has to assess the sincerity of the "new-type" Carmine De Sapio who gives guest lectures in the best colleges about personal honesty and political integrity. He is passionate and convincing on the theme, if you listen to him without any knowledge or reference to the past. Listen to him talking to a *Time* interviewer:

> I don't want to get sentimental or dramatize this thing, but I want to tell you—I swear to God that if the day ever comes when those guys or their kind [Costello & Co.] have any hold over me whatever, I'm going to get out so quickly it will make your head swim. The thing you have to remember is that an awful lot of people are depending on me—on my political integrity—for their political futures, their jobs—everything. I couldn't possibly afford to get mixed up with mobsters or hoods, and believe me I don't intend to—ever.

As De Sapio constantly points out, a powerful political leader goes to a lot of places, meets a lot of people. He can't possibly control the composition of every gathering; it is absolutely impossible for him to guard against the chance that, somewhere, sometime, somehow, a shady character will be brought forward under seemingly fair auspices to shake his hand. This, obviously, is a bit of truth, and De Sapio stresses it with such sincerity that he has convinced many astute observers. It is only when you stop and think, only when you realize that you are talking to a man who has exhibited two completely different personalities, that you wonder.

The two profiles of Carmine De Sapio show most clearly in the simple things—and their astonishing contrast. They show in his speech and his careful grooming. As the Alsops noted:

> When you first meet him, De Sapio talks "Manhattan-cultivated" — the special, easily identifiable language of many other New Yorkers who have

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climbed from unfashionable sidewalks to the streets of the mighty. The grammar almost has the precision of a foreign language well learned. Every syllable is clearly pronounced, even some syllables that it is unusual to pronounce at all. . . . When he uses his second way of talking, he sounds, if not like a front man for gangsters, at least like a man who has associated with gangsters—which De Sapio indubitably has done. Outlanders would call his second way of talking Brooklynese. Actually it is pure New Yorkese, the language of the sidewalks of New York. . . .

Clothes and the Man

Equally intriguing is the transformation that De Sapio has undergone in his physical appearance. He is a tall man, 6 feet 1, with a large head, big hands, black wavy hair delicately streaked with gray at the temples and weak eyes perpetually hidden behind large, dark-tinted glasses. The imposing physique is set off by flawless attire. De Sapio wears the expensive dark suits of a banker, ties conservatively striped, a fine linen handkerchief poking from his breast pocket. He wears the clothes of affluence as if to the manner born, and it has been generally overlooked that the well-groomed De Sapio of today is not the same De Sapio who lived for forty-one years before he became the boss of Tammany Hall. For a picture of that other De Sapio, one turns to a man who has been on the inside in the current administration and who is certainly no enemy of the boss.

"You don't know the Carmine I first met in the late '40s just before he became the leader," this man says. "I remember seeing him dressed in a lime-green summer suit, with black and white shoes and a straw hat with a red and white striped band. He was a perfect mirror of his background."

Another politician, a bitter foe of De Sapio, recalls the same picture in more acid terms. "He was a cross between a hairdresser and a floorwalker," he says, with contempt.

Obviously, a face-lifting job has been done on De Sapio. The man the public sees today is a man divorced from his entire past—a man who dresses differently, talks differently and projects a steady image of a "new-type": a dedicated, a "good" political boss. This is a change to pique the curiosity of a dullard, and one looks instinctively for the Svengali who wrought it. And when one does, one comes inevitably upon a character as fascinating in his way as De Sapio—Sydney Stuart Baron, the prototype of an important new figure in American public life, the political public-relations man.

Baron, like De Sapio, came up the hard way. His father was a cobbler in the poor Brownsville section of Brooklyn. As a boy, Baron sold newspapers on the street, worked long hours in neighborhood stores and, in summer, picked berries upstate for $1 a day. Now he wears silk shirts and $150 suits, and presides over a Madison Avenue public-relations office that is straight out of Hollywood. His private lair is done in gray, with silken draperies, comfortable sofas, carpets that are ankle-deep. Muzak pipes in softly to soothe the nerves. A seven-foot electronic cabinet controls the dulcet tones of the music, gives Baron telephonic connections with his staff, adjusts the glow of the office lights. Richly-stained mahogany panels slide back in one wall to expose a sparkling, well-stocked bar, a large television set, a small library. Some modern art work adorns the wall, and there is on it just one photograph—a large autographed picture of De Sapio.

Baron of the Avenue

The one-time boy from Brownsville who presides over this scene of amazing plush is a driven man, a Madison Avenue Sammy Glick. Like De Sapio, he is possessed by an inner demon that keeps him always running, but unlike De Sapio, he has almost ruined his health in the process. Not yet forty, Baron has been in hospitals repeatedly for ulcers, and he is the victim of drives and tensions that often give him the appearance, despite his relative youth and not unhandsome features, of a seriously ill man. In conversation, he sometimes suggests a man who has scaled the heights of his heart's desire, who has arrived at a summit of power and money and influence that he could hardly glimpse as a boy in Brownsville—and now finds the summit strangely lacking.

The world of Madison Avenue is a world of the suave knife-wielder, a world in which no man dares turn his back to a friend. Baron has arrived in this world, he has built a business that grosses more than $1 million a year, and he sometimes seems like a lonely man who needs one thing more than any other—a friend to whom he might dare turn his back. His compulsive need for friendship crops up in almost every interview. Although he knows a newspaperman does not think as he does and does not believe in what he represents, he exhibits an almost pathological eagerness to be liked, to be admired as a person regardless of what he represents, to have even an inimical interviewer for a friend.

Baron will break into a discussion in the oddest places and go off on a patter like this: "Be my friend. . . . We could become close. . . . You'll find I'm no more a prostitute than you. . . . In fact, I know what I'm doing. You need friends. . . . I'm the only guy in town who would hire you; you don't know how much public-relations people are afraid of you, they don't know what you'll do next. . . . Let's be friends. . . . Come on, there's no reason when this is over why we can't be friends. . . ."

With another man wielding Baron's power, you might get the feeling that he was offering you a bribe to go easy, but the impression Baron gives is of a man answering some inner compulsion of his own; of a man seeking something that he has not yet captured in its perfect essence; of a man who really means, or at least believes at the moment that he means, exactly what he says.

Hitching to a Star

When you turn from Baron, the man, to Baron, the success story, you had better be prepared for a ride on a jet-propelled escalator, for Baron has catapulted from the ranks of the working stiffs to the precincts of the wealthy in just five years. To hear him tell it, this meteoric rise is the result solely of long and honest endeavor. "I work twice as hard as most people," he likes to say. "That's all there is to it." But even Baron has to admit that, though he had spent a lifetime running hard, he was still on a treadmill going

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nowhere until he decided to put all his chips on a human power-package labeled Carmine.

The collaboration of De Sapio and Baron began only after Baron had committed a drastic political about-face. After he first became interested in politics in 1938, Baron hired himself out as a speech writer to politicians of every shade of opinion. He changed sides some seven or eight times in the next dozen years. He propagandized for Republicans, for Democrats, for independents; and in the special mayoralty election of 1950, he had given the impression of a man taking impious joy in beating out the brains of the new boss of Tammany Hall in the cause of that not-so-stalwart independent, "Impy" Impellitteri.

The whole campaign centered on the issue of a gangster-ridden Tammany. The memory of Harry Gross's pay-offs in Brooklyn was fresh in the minds of the electorate, and Impellitteri's speech writers, of whom Baron was the foremost, put into his mouth words like these:

> If Pecora is elected, Frank Costello will be your Mayor. But the voice will be that of Pecora. Carmine De Sapio, the Tammany leader, and others allied with him in this campaign take their orders from Frank Costello, directly or indirectly.

The 1959 Madison Avenue Sydney Baron is horrified at the suggestion that he ever wrote such things. He devoted his talents solely to preparing "constructive" speeches for Impy, he says—a contention that convicts him for having had a sinecure, since the constructive approach was virtually absent from this campaign. Maybe, however, he wasn't so constructive as he likes to pretend today, for as you talk to him, as he tells of his great rapprochement with De Sapio in the aftermath of victory, he admits that, at first, he didn't want to meet the Tammany boss, estimating that De Sapio's reaction wouldn't be very favorable.

De Sapio's friends, however, kept talking to him, telling him that he had Carmine "all wrong." And so, not very long after the 1950 election, the two men met socially at a cocktail party at the home of mutual friends. As Baron tells it now, he and Carmine, two hard runners, liked each other at once. They talked for two hours, and when the talk ended, the great decision of Baron's life had been reached—he was Carmine's man.

Enter "The Bishop"

Baron had been rewarded for his services in Impellitteri's campaign with an $8,500-a-year deputy commissionership in the city's Department of Marine and Aviation. Not long after he reached his understanding with De Sapio, he left city service and established his own public-relations business on lower Broadway. His main account was press agent for Tammany Hall; he could count on only about $150 a week. The first years were rough, for De Sapio and Tammany couldn't free-wheel at City Hall with Impellitteri there. But De Sapio knew and Baron knew that Impellitteri had disillusioned a public that had cast him in the role of a modern Galahad. They could wait. And while they waited, they could try to put a new face on the Tiger.

Sydney S. Baron

One immediately observable result was the emergence of the new De Sapio from the chrysalis of the old. His followers began to call him "The Bishop," in recognition of his rectitude, or "The Chief," in tribute to his leadership. Baron himself likes to lecture to college classes—he has even taught a political-science course one night a week at New York University—and De Sapio, too, now sought such respectable forums for his message. It was a perfect public-relations switch. The popular conception of a political boss is usually a caricature—a gross and heavy-bellied creature who rolls a big cigar in thick lips, dwells in a dim inner cavern of the clubhouse and pulls off nefarious deals far from the public eye. De Sapio, with Baron helping to guide him, became the exact reverse of the caricature. He spent some 16 to 18 hours a day going everywhere, talking to any group that would listen, his theme as popular as the theme of motherhood—good government.

Was it all just a public-relations gimmick? Listen to De Sapio being serious with *Time:*

> After Pecora, I felt something drastic had to be done to disprove the public impression of me and my organization. As time went on, I could only see that, unless we put our house in order, the Democratic Party in New York would have no value as a party at all. I watched very carefully for the right places to push for or against the right program.

Listen to Baron being noble with *The New York Post*:

> Perhaps I was something of a catalyst, but I can't claim credit. This isn't false modesty. I regard myself as lucky for having met him [De Sapio]. His greatness lies in the fact that he will not sacrifice morality to political expediency. [A dramatic pause]. He would rather lose an election than compromise his principles.

The Great Leap

It is obvious that the old Sydney Baron and the new Carmine De Sapio had pooled their talents. The political coalition that resulted is the basis of Tammany success today. With De Sapio lecturing like an egghead, the old and the new were welded in an unbeatable combination—the old being the unscrupulous political machine with which De Sapio had been allied all his life; the new, the powerful voting elements of the post-New Deal age, the liberal blocs whom De Sapio had learn-

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ed how to woo with his patter. When these extremes of the political spectrum united in the mayoralty election of 1953, Carmine De Sapio crashed through to his first resounding political success.

In the aftermath of that victory, Sydney Stuart Baron moved from lower Broadway to the heart of Madison Avenue. He made the leap as blithely as Peter Pan. In less than two years, he had the names of nineteen of the choicest accounts in New York lined up in rows like prize scalps on a bronze plaque inside his door. The list included such corporate giants as the Aluminum Company of America, Anheuser-Busch, the New York Central Railroad and Tishman Realty and Construction Co. Many of these firms retain huge public-relations staffs of their own. Why did they need to hire an outside consultant? And why, if they did, did it occur to so many of them to rush to the new Madison Avenue firm of Sydney S. Baron?

The answer may be found, perhaps, in the startled reaction of one public-relations man who woke up one morning to the horrified realization that his prize corporate client had just gone and put itself on the Baron list. In great alarm, figuring that he had lost the account, he telephoned the president of the firm and almost keeled over in relief when he was told: "Oh, don't worry about it. You're still our public-relations man. We just need Baron to represent us at City Hall."

Supernumerary Publicist

Baron becomes incensed at any suggestion that his services are sometimes retained more for influence than publicity. "Do you think Alcoa wants to be represented by a fixer?" he snapped at us once. On another occasion, he insisted to *The New York Post*: "I never got 10 cents worth of business directly or indirectly through my association with Tammany Hall, and I challenge anyone to dispute that." He has difficulty explaining, however, how he managed to transform himself so swiftly —and this after years of beating his brains out in the public-relations field—from the barefoot boy of lower Broadway to the status of proprietor of a block-long Cadillac, with special license plate spelling out SYD. The irreconcilables in the situation are too much even for Baron, who can reconcile almost anything, and on one occasion he admitted to us: "I have no doubts that my political ties have helped me in business." But, he hastily added, if any of his clients thought they were buying special favors through him, they were mistaken. If their cause was just, he insisted, they could have walked down to City Hall, so newly purified by De Sapio, and they could have gotten just as much for themselves as he could get for them.

What Is He Selling?

There are skeptics in New York, however, who refuse to believe it's all that simple. They point out that many capable public-relations men would consider themselves lucky to have just one of Baron's big-name accounts. And they see significance in the fact that, despite the size of some of his corporate clients, the testimonials that Baron flaunts most prominently on his office walls are political—the kind of photographic and documentary evidence that emphasizes his closeness to De Sapio and Tammany.

About the size of the harvest that Baron annually reaps there can be no doubt. It was disclosed some years ago that Baron had obtained a gun permit from the Police Department because, the department said, "he often was engaged in the transportation of large sums of money." Baron, when asked about this, was surprised. He said he just kept a gun at home to protect his family.

Whether Baron transports large sums of money or not, there can be no question that today he has large sums of money at his fingertips. He acknowledges in his more prideful moments that he considers himself well-fixed for life. One of his regular accounts, he says, pays him $180,000 annually. And sometimes there are windfalls, as in 1957 when Baron ran an investigation to exonerate the brutal Trujillo dictatorship in the Dominican Republic of the kidnaping of Columbia instructor Dr. Jesus de Galindez—a service for which he collected some $640,000. This, of course, included the fees of high-priced lawyers, investigators' salaries and expenses, but it goes without saying that a fine, fat slab of the Trujillo hog was left over for Baron. All in all, Baron can look forward most years now to a gross take somewhere in the neighborhood of $1 million—not bad for a poor boy from Brownsville.

When one puts together all the elements of the De Sapio-Baron saga, one cannot help recalling an astute observation made by one of the insiders of New York politics, a man who is no enemy of the current regime. In discussing the vanished influence of the district leader, this political expert went further and pointed out that the new world of influence revolves about two poles—the all-powerful boss wielding political power and the all-powerful corporation executive wielding financial power. It is a world of smooth negotiation, involving inevitably the slick corporation lawyer and the slick Madison Avenue public-relations man.

Elaborating on this new species of power and its manifestations, this veteran of the New York political world said: "It's all at the top. It's all done through Carmine now. It's done at the corporation level, and with the banks. That's Carmine's trouble. He makes promises to the people and to the leaders, but he doesn't produce. The favors come in at the top and go out at the top."

It has been that way since the mayoralty election of 1953, when De Sapio, with the aid of the dying Ed Flynn, picked the right horse—Robert F. Wagner, Jr., the bearer of a famous name in New York politics. Wagner's father, long-time Senator from New York, had authored the Wagner Labor Relations Act and had created an image much revered by liberals; the son had been shoved steadily up the rungs of the political ladder by the machine and, best of all, had a personal reputation that made it impossible for anyone to hurl rocks at him. The combination made the younger Robert F. Wagner Mayor of New York with De Sapio's blessing, and the same combination—some men close to New York politics are willing to bet on it—may yet carry him to the Democratic Vice Presidential nomination in 1960.

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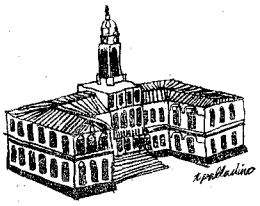


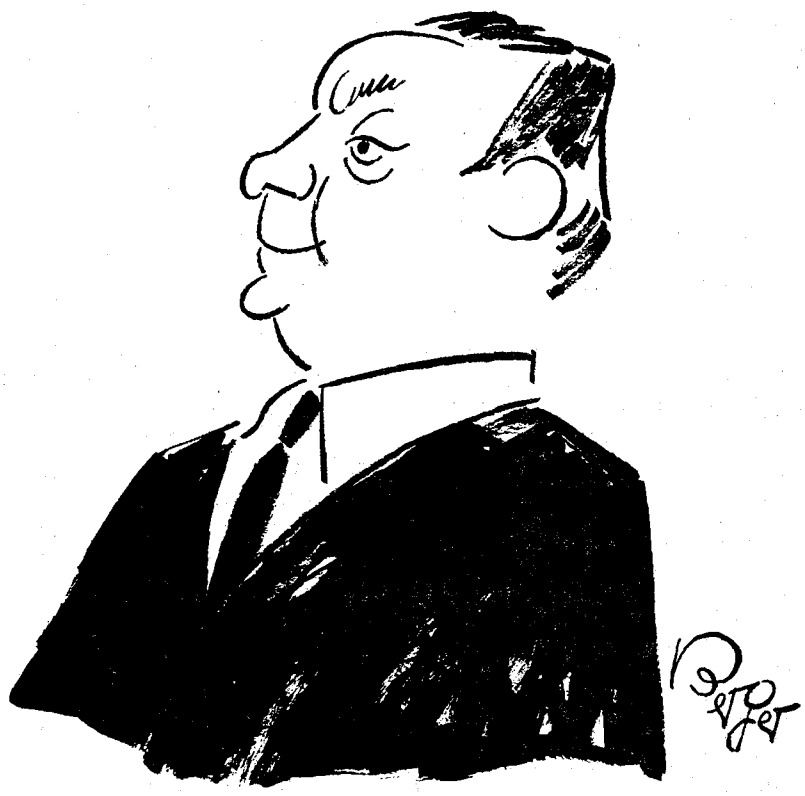
PART 4

WAGNER: THE MAN OUT FRONT

ROBERT F. WAGNER dropped the "Junior" from his name shortly after his father died and just before he took office on January 1, 1954, as New York's 102nd Mayor. The departure of "Junior" did not mean, however, that the Mayor had escaped from the paternal shadow in which he has lived all his life. That shadow put him where he is today. And in many respects it made him the kind of man, the kind of politician, that he is.

Wagner's rise to eminence was shadowed by disparagements like the one ascribed to former Mayor William O'Dwyer in 1946. Seeing Wagner approach, O'Dwyer remarked acidly: "Here comes young Bob Wagner, wearing his father's pants." Ironically, before many years had passed, O'Dwyer was to be only too glad to avail himself of those capacious pants in seeking a second term in City Hall, and still later, the same paternal jeans made Wagner Mayor. Subsequently, it would seem, he had a chance to be his own man, free of the inherited prestige and its shadows, but it must be said that he did not seize the opportunity with vigor. He continued—and still continues—to give the impression of a man following by rote a path charted for him by the one who went before. He never tires of citing his father's political homilies, as if they contained the essence of all political wisdom. If they did, there would be, of course, no argument; but, unfortunately, the sayings on which the Mayor seems to put the greatest stress are those that represent, at best, only negative virtues. A bit of the father's wisdom that the Mayor frequently cites is to the effect that often the best way to handle a problem is to do nothing; you'd be surprised, he says, how frequently today's crisis fades away tomorrow. "When in doubt, don't," the Mayor often quotes his father as having said.

But the motto which the Mayor uses to justify inaction may have been better suited to the more deliberate role of legislator that his father filled than to the chief executive of a city whose crushing problems demand swift, vigorous and decisive action. These positive traits that New York so desperately needs are the very ones that are most lacking in its Mayor.



Robert F. Wagner

An Illustrious Company

Robert F. Wagner, Jr. grew up in the shadow of his illustrious father's career and in the climate of the old Tammany that, despite its sins, produced some outstanding men. Al Smith was one; the elder Robert F. Wagner, another. The senior Wagner began his political career speaking in a local Tammany club; he soon demonstrated that he had a flair and was sent along up the ladder, first to the state assembly, then to the state senate. In Albany, he began writing liberal legislation on the state scale before the New Deal had been born on the national. In 1926, he was elected to the U. S. Senate for the first of four terms that he was to serve, and in the early days of Franklin Roosevelt, he became the author of the Wagner Act, one of the architects of Social Security, and an active champion of civil rights.

This was a liberal record that could not fail to become a heritage of inestimable value to his son in the overwhelmingly Democratic, heavily liberal purlieus of New York City. Young Bob Wagner, born in 1910 and left motherless as a boy, was weaned on his father's politics. He was a page boy in the state legislature when he was nine; he was his father's inseparable companion in campaign tours all around New York State; and to this life-long back-

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ground in politics, he probably owes the fact that he is even today better known to the electorate in predominantly Republican upstate New York than any other Democrat. The combination of his name and his father's contacts determined his career. Hardly had he emerged from Yale Law School in 1937 before he was informed that Tammany would be delighted to run him for the state assembly from Yorkville. Young Bob was delighted to accept; he ran and won.

His career in the legislature was unmarked by distinction, but then World War II cut it short. Young Wagner obtained an Army Air Corps commission and spent 1942 making speeches in defense plants; then he was sent to Europe, where he served two and a half years handling judge advocate duties and planning bombing raids. He returned home in 1945, a Lieutenant Colonel with six battle stars and a deafness in his left ear caused by a bomb blast in England.

Grooming a Winner

William O'Dwyer may have been nastily caustic about the young man who was wearing his father's pants, but William O'Dwyer was no fool as a politician. Both he and the bosses in Costello-dominated Tammany recognized a political asset when they saw one, and Robert F. Wagner, Jr. was a political asset of the first water. He had that famous name and all it implied; he was a Catholic, which helps in heavily-Catholic New York City; and he had, besides, the quality that is perhaps a politician's greatest asset—an affability that attracts voters. O'Dwyer and Tammany couldn't pass all this up; almost at once, they began to bring young Wagner along step by step on a road of setups, nursing him like a tank-town fighter.

O'Dwyer named him to the City Tax Commission and soon moved him up to the chairmanship. Wagner had hardly gotten the seat warm when O'Dwyer gave him another boost, appointing him to head the city Department of Housing and Buildings. This is one of the perennial hot spots in city government. The department, throughout the years, has been shaken by recurrent scandals, usually involving inspectors on the make. All of the evidence then and since indicates that the department was as rotten under Wagner as at any other time; some of the scandals since exposed extend back to the period when he was its Commissioner. But, in all fairness, it must be said that Wagner hardly ever stayed in one office long enough to get the feel of it or, had he been so minded, to accomplish reforms. He was on a fast-moving escalator. Again, he had hardly warmed the chair in housing before O'Dwyer had a better one ready for him—chairman of the City Planning Commission.

Brilliant Future

This rapid succession of step-up jobs was the tip-off, to those who know politics, that Robert F. Wagner, Jr. was being groomed for larger and more rewarding tasks. His accomplishments were practically nil (under the circumstances, they could hardly have been otherwise), but the proper public image had been created—the image of a man swiftly rising to prominence by knocking off one top job after another. A calculated impression was left with the public that here was a man who really had something on the ball.

The entire buildup took place in the first four years of the reign of O'Dwyer. When 1949 came around —and with it the necessity for O'Dwyer to run again—the man who had sneered at young Bob Wagner "wearing his father's pants" looked about him for the possibilities of political support and saw that those pants could help. "Young Bob" was picked to run for Manhattan Borough President. "What a political book end for O'Dwyer!" one old-line Tammany politician exclaimed.

Helped by the Wagner name, O'Dwyer swept back into City Hall, and young Bob, having passed his first test as a vote-getter with flying colors, became Manhattan Borough President. Now this office traditionally has been the breeding ground of New York scandals; it is the hiding place for district leaders and their lieutenants, the feeding trough where the political faithful batten off the public purse in jobs that are sinecures. When Wagner took over the office in 1950, he quickly found that he had inherited one of the prize stables for party wheelhorses. What he did about it is significant.

There was a mild public outcry, at the outset, about the Tammany hangers-on in the office; Wagner said he didn't care about job-holders' affiliations with Tammany as long as they did their jobs. The outcry became a little more pointed. It was charged that some of the Borough President's hired hands had been close pals of Frank Costello. Wagner became a little more concerned, then decided to deal with this problem on a high plane. The accused, he said, must be given a chance to defend themselves if they so desired, and he named a Republican lawyer who had been long active in the Citizens Union to conduct an inquiry. The result was a farce. The office-holders refused to be investigated; they challenged the legality of the whole procedure in the courts — and won. The net result was zero, but the manner in which zero had been achieved was significant and symbolic of the future. Wagner, who had the power, who could have investigated himself and acted himself, had by-passed the issue.

Setting the Pattern

The result, obviously, did not displease Tammany, and in 1953, when the law of self-survival dictated that Carmine De Sapio pick a winner for the mayoralty on his second try, he and Ed Flynn settled on the man who had been brought along and groomed for the spot — young Bob Wagner. Some of those who sat in on the political discussions that led to the selection of Wagner admit today that it was a choice dictated by negativism, and they startle you by projecting the method into the future and on to the national scene. For they insist that the same reasoning that placed Robert F. Wagner in City Hall in 1954 may very well determine the identity of the next occupant of the White House on Election Day, 1960.

One of the insiders who had intimate contact with the negotiations that gave Wagner his party's blessing puts the picture this way:

"Now it is government by public relations. Government is so large it

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costs millions to reach the people. Not only campaigns, but government, are run by PR men. The men at the head of government are all glamorized candidates, glamorized officials. The taxpayers' money that they spend, whatever else it does, adds to their glamour. What is sought today is a man who is absolutely incorruptible—with no reference whatever to his competence. The thinking is that the barefoot boy might be tempted, but an ignorant millionaire is all right. He won't steal. The fact that he might lose billions because he is stupid is never considered. The emphasis is on the incorruptible, not the competent."

Probably no statement could be a severer indictment of modern American society. When a basic virtue like honesty is popularly regarded to be so rare that only a millionaire can afford it, we have fallen to sad estate. Of course, not all candidates are millionaires, probably because there simply are not enough millionaires interested in politics to go around; but, as this political expert points out, the prominence of Massachusetts' Senator John F. Kennedy and New York's Governor Nelson A. Rockefeller, two of the front-runners for the Presidency in 1960, is a symptom of the feeling of the times.

Role of the Press

Others who sat in on the Wagner pre-nomination conferences stress much the same viewpoint, with different shades of emphasis. One of them exhibits a bitterness toward the press. He is a man who recognizes that the press has a job to do, but wishes perhaps that it didn't. In any event, he claims that journalistic emphasis on racket ties has driven a lot of good men out of politics and has made it virtually impossible for the machine to run a faithful, long-time party worker, regardless of the fact that he might be the best available administrator.

"Now when they sit down to pick a candidate they have to be careful," this helper in the picking process says bitterly. "The guy has to be completely above reproach. They have to pick a man who can win — a man the newspapers can't ruin. It has nothing to do with his qualifications. The papers are responsible for putting weak men in office. I've sat in on these things. . . ."

A third expert leans to the public-relations view. "The prime criterion in considering a candidate," he says, "is simply: Can he win?" In assessing this all-important angle, he adds, emphasis is placed on the public-relations image that can be created. It is important that the candidate be one who can never be shown to have sat down at the same table with Frank Costello. It is important that he should never have made any big public mistakes. It isn't vital for him to have demonstrated courage and ability as an administrator; it *is* vital that he should never have been caught in an error while administrating. The inevitable end to this line of logic, this man concedes, is that the man who has done the least is the man who is the most available — for the simple reason that, if you don't act, you can't err, and if you don't err, you can't be attacked for erring.

In an age when all the emphasis is on negative virtues that can be made to appear positive under the alchemy of public relations, Robert F. Wagner was the ideal candidate for the Mayor of New York. Nobody could ever say that he had sat at the wrong table with the wrong man. If he had not done much in the public jobs that he had held, he had at least done nothing conspicuously wrong; he had kept his nose clean and himself out of trouble. And besides he had that name and the liberal tradition handed down by his father for PR men to work on. He was a shoo-in.

The Beginning Was the End

When he took over the reins of government in City Hall, Robert Wagner faced a horde of complex problems. The Police Department was undermanned; juvenile crime was on the rise; parks were unsafe after dark; schools were overcrowded, teachers underpaid; traffic was chaotic; middle-income families could find no place to live and were being drawn into the suburbs; the city budget was threatening to go through the stratosphere.

Five years later, in the midst of Mayor Wagner's second term, all of these problems remain. None has been solved; few are any nearer solution. Some of the Mayor's aides try to defend him. But even the best defense usually ends in an admission. For example:

"Wagner's first two years in office were his best," one man said. "He worked and he accomplished more then than he ever has since. He set the wheels in motion. It looked good. It was a good beginning—and then that was the end."

Ballooning Budget

This "end" that has led nowhere has been accomplished by the prodigious expenditure of millions of dollars and the ballooning of the city budget from the $1.6 billion annually that Mayor Wagner inherited to more than $2 billion today. Along the way, such things as these have happened:

¶ Several thousand men have been added to the Police Department, but there are innumerable signs that big-time rackets still flourish in New York and that the department itself is eaten with corruption.

¶ Millions of dollars have been spent to clear away slums, but these projects, heavily underwritten by the taxpayers, have been so manipulated in top-level power deals that, in many instances, only the wealthy can afford them and middle-income housing is still in such short supply that this vital class continues to be driven from the city.

¶ Additional millions have been spent to build public schools and improve teacher salaries, but the teachers protest that the salaries are still too low and now the Mayor is asking approval of a plan by which the city could issue $500 million worth of bonds to build more schools — a scheme that was advanced before the Board of Education had had time to complete a hasty survey to show what it would do with the money.

¶ And all the time scandals have piled upon scandals. Two City Councilmen were forced to resign because they were involved in what is politely called "conflict-of-interest" cases — in other words, using their official positions to feather their private pockets. The buildings department has been rocked by pay-off charges; the city's Bureau of Real Estate was riddled with peculations

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amounting to hundreds of thousands of dollars; the Slum Clearance Committee has been exposed time and again for sanctioning deals that mean private fortunes, but which cannot possibly be defended in the public interest.

The Wagner administration sits out each scandal; in time, each fades from the headlines and is quietly interred. No one who matters ever gets "hoited," no official of any rank ever goes to jail — one indication perhaps that there is one law for the rank-and-file citizenry and another for sensitively placed cogs in that $2 billion-a-year municipal bureaucracy.

Next Step Upward

What impression does all this leave among the men who serve and have served with the Mayor in city government, among the men who know him best?

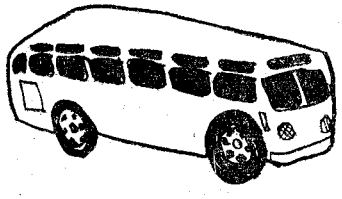
One who has been closest to him puts it this way: "You might almost say he governs by passive resistance. He figures that, if you don't make a snap decision, most things will take care of themselves."

Yet, through it all, perhaps by the long-lasting magic of his name, the Mayor still retains his valuable public-relations image. None of the sins of the administration over which he has presided have splattered on him personally. Most critics regard him as honorable and feel that his worst weakness as an executive comes from a likable trait in the man — a dread of stepping on toes, a dread of hurting anyone's feelings. These personal qualities, the mantle of liberalism he inherited and still wears, his wide state acquaintance, all enable public-relations men to sell him as the best Democratic vote-getter in New York State.

This is the basis on which the De Sapio state machine will try to put Wagner over as the 1960 Democratic Vice Presidential nominee. The effort, long rumored, became official in late August when the Democratic State Committee announced that, while it had made no commitment for the top spot, it expected the entire New York delegation to next year's convention to back Wagner as the running-mate. Well in advance of the official announcement, the move was being discussed as a coming certainty in political circles. One intimate of the Mayor, in discussing his future, pointed out that Wagner's "last resort" would be a third term in City Hall. He needs out, and what nicer "out" than the Vice Presidency?

While this may not be the best possible reason for picking a Vice Presidential candidate, don't laugh off the possibility, political insiders say. They reason that very probably Senator Kennedy, despite his demonstrated popularity at the polls, will not be able to capture the nomination. The likelihood then is that the Presidential candidate will come from the Midwest or the Far West. If this happens — and it could very well happen in a horse trade for New York's huge bloc of convention votes — Mayor Wagner would then be put forward as the ideal running-mate, the vote-getter whose popularity would be indispensable to the ticket in carrying the pivotal Empire State.

In an age of press agentry, it could happen that way, and many politically astute New Yorkers are convinced that it will. But it could hardly happen in the kind of world that we usually like to picture our world to be — a world in which accomplishment is the true criterion. By any such standard, Mayor Wagner would be left far behind; for, to put it bluntly, his New York is in a many-hued mess.



PART 5 CLEAR IT WITH QUILL

EVEN BEFORE Robert F. Wagner was elected Mayor, he was committed by his political aides and backstage managers to a high-level deal for power that was to give his administration one of its blackest marks. The deal led directly to a shocking case of labor-spying through the bugging of the Motormen's Benevolent Association's offices. Official agencies of the city, the Transit Authority and the city police, did the spying; all the power of the city government was thrown against small unions in favor of the big; solemn official promises were broken; and in the end, threats and intimidation and physical violence were countenanced with official passivity.

The Wagner administration, even before it took office, had made an informal arrangement with one of the most controversial and probably least-loved labor leaders in New York — Michael J. Quill, president of the Transport Workers Union and, in 1953, the head of the New York C.I.O. Council. Quill, a swaggering, loud, bully-ragging type of labor leader, had kept New York officialdom on tenterhooks for years. Periodically, he blustered and threatened, alternately scheduling and calling off city-wide subway strikes in a war of nerves that at times exasperated the public and intimidated the incumbents in City Hall. Quill's T.W.U. was by far the largest, numerically, among bus and subway workers; it gave him great power; and he had enhanced this power by becoming head of the city C.I.O. Council.

Quill's power was the only thing that mattered in the summer of 1953, when the De Sapio-Flynn forces, backing Wagner, began to seek labor support for the primary battle against Mayor Impellitteri. A secret, back-door deal was negotiated with the T.W.U. head; Quill would throw the support of his Transport Workers Union and the city C.I.O behind Wagner; in return, when Wagner took over in City Hall, the T.W.U. would be given exclusive bargaining rights covering all of the

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Mike Quill

35,000 employees in the city transit system.

Once this agreement was struck, the C.I.O. became an important source of Wagner campaign cash, and the result of the collaboration was what both sides had anticipated. Wagner crushed Impellitteri in the primary and swept easily into City Hall in November.

Almost as soon as the new Mayor took office, his administration acted to implement the secret pledge it had given Quill. Joseph E. O'Grady, a close Wagner ally and the city's first Labor Commissioner, drafted an agreement putting all transit workers into Quill's hands. The workers weren't asked; they had nothing to say about their fate. Leaders of the independent craft unions protested that they did not want to be represented by Quill; they couldn't get so much as a hearing from the Transit Authority or City Hall. If this is not serfdom imposed from the top, it will do until a better example comes along.

Throughout the early years of the Wagner administration, the craft unions — their membership included the elite of the transit system, skilled technicians and repairmen, motormen on the subways — chafed in vain under Quill's rule. In mid-1955, the city negotiated a new contract with Quill, a flat 17-cent-an-hour package deal in which the more skilled men of the transit system were treated no better than the unskilled. Dissatisfaction mounted among the craft workers; they began to talk of the possibility of striking, as Quill himself had often talked in the past; and under this kind of pressure, they finally succeeded — in early June, 1956 — in arranging for something that previously had been denied them — a conference with Nelson Seitel, another Wagner aide who had succeeded O'Grady as Labor Commissioner.

The Pliant Mayor

As soon as Quill heard what was afoot, he rallied a group of T.W.U. and C.I.O. officials to put pressure on the Mayor. The group stormed down to City Hall and demanded that the conference Seitel had scheduled with the craft unions be canceled. Mayor Wagner listened — and bowed.

Some of the reporters who covered the City Hall press conference in which Wagner publicly and abjectly capitulated will never forget it. Thomas Furey, of the New York *World-Telegram and Sun*, later wrote that the Mayor "spoke as though he might have been brainwashed." What happened now at this press conference was enough to create some fundamental doubts about that "nice-man" front which the Mayor projects. For what he did certainly wasn't nice. He rebuked Seitel for having agreed even to meet with the craft unions. He told reporters that Seitel had made "an honest error." He flatly promised T.W.U. and C.I.O. officials that no such "honest error" would be repeated in the future. The craft unions were never to be given a chance to sit down at a table with city officials and state their case; the honorable, pro-labor Mayor had firmly barred the door.

The reaction of the crafts came swiftly. On June 14, 1956, the Motormen's Benevolent Association pulled a one-day strike. The walkout of the motormen created an almost complete snafu on the city's subways; the one-day demonstration proved graphically that Quill, despite the numerical superiority of his T.W.U., couldn't run the subways single-handed without the cooperation of the crafts. Having made their point, the motormen resumed their efforts to negotiate with the Transit Authority and City Hall.

Again they got a complete cold shoulder, and the rebuff increased their bitterness. As time passed, they began to consider more seriously the possibility of another subway strike, not just a one-day demonstration but a bitter-end struggle to make the city's officials listen. With real trouble brewing, the crafts finally found another man in the city administration who seemed to think that they should be given at least a hearing. This man was William Peer, Mayor Wagner's executive secretary and public-relations man. He began to meet with the craft union leaders.

Porcupine Quill

Once more, an enraged Mike Quill went storming down to City Hall. With him went Joseph E. O'Grady, the former Labor Commisisoner who had been appointed to the Transit

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Authority by Mayor Wagner and had been put in charge of the Authority's labor relations. The *World-Telegram and Sun* told the result in a Sept. 4, 1956, headline that read: "MAYOR AGREES TO BAR FURTHER MBA PARLEYS." The story said:

> Michael J. Quill, still boiling mad at the upsurgence of the Motormen's Benevolent Association and other subway splinter groups, called at City Hall today and brought Mayor Wagner around to his way of thinking.
>
> As a result of Mr. Quill's meeting with the Mayor, the city agreed not to talk to the M.B.A. any more. This was made clear after the meeting by the Mayor's executive secretary, William R. Peer, who for the past week has been attacked by Quill and the Transport Workers Union because he talked to the M.B.A. officers.

Barred from discussing their problems with the Transit Authority or City Hall, outlawed by a system in which the big political boss dealt with the big labor boss and the devil took the small fry, the motormen were driven finally to the step that, as the entire sequence would seem to indicate, they took only with the greatest reluctance. They called an all-out, city-wide strike for Dec. 9, 1957. When they did, all of the awesome, tremendous power generated by that $2 billion-a-year municipal bureaucracy went into action against them.

The Transit Authority and the city, working in tandem, moved to crush the motormen as they had never moved against Mike Quill. An injunction was obtained, forbidding the strike. When the motormen went ahead with their plans despite this, their president, Theodore Loos, and their strike leaders were arrested, given cursory hearings in a hotel lobby by a judge roused from sleep, and packed off to jail for contempt of court.

Subway Riders' Reaction

The sentencing hearing, brief as it was, exposed for the first time the extent to which municipal authority was willing to go in crushing a labor organization with which it would not even talk. For the prosecution's evidence consisted largely of the testimony of detectives who had been employed to spy on the union. Two separate methods of espionage had been used. In one case, the hall in which the union was meeting had been wired for sound, and Transit detectives in a car outside had taken down everything that was said on recording devices. At the final pre-strike meeting of the union, the one that led to the jailing of Loos, a Transit Authority detective had been hidden in a closet, where he had taken down verbatim notes. This disclosure of official spying on union meetings caused a ripple in the press, but the ripple was nothing compared to the storm that was to come.

The Motormen's Benevolent Association, left without leaders by the jailing of its top officers, found new leaders and called the strike anyway. The Transit Authority, helped by Quill, went all out to break the M.B.A. It pressed emergency motormen into service, used clerical personnel in all kinds of jobs, put up cots for its strikebreakers to sleep in station houses, paid them bonuses for staying on the job and round-the-clock overtime, and hired special caterers to feed them. By such devices, it managed to keep the subways running, but on badly crippled, hit-and-miss schedules.

In such circumstances, the public reaction is almost always predictable. The public does not like to be inconvenienced, and it almost invariably resents a union that makes it walk or take a taxi. It had resented Quill many times in the past. But this strike was different. The issues quite evidently had registered, and the reaction, rare in this city's history, was widespread public sympathy for the strikers.

Perhaps one of the reasons was that the public likes an underdog, and this was an underdog strike if ever there was one. When Loos, the M.B.A. president, was jailed, Frank A. Zelano became the leader of the strikers. Zelano had been the executive secretary of the union. A widower, he had struggled to keep a home together in a small Brooklyn apartment and to fill the roles of both mother and father for his two young daughters. His take-home pay was only $67 a week; he had virtually no cash to fall back upon; and the M.B.A., a struggling union striking in defiance of both big-union and big-political power, had no rich emergency fund with which to carry along its membership. Knowing that even the getting of sufficient food might pose a problem if he went on strike, Zelano discussed the decision that he had to make with his daughters. Loyally, they told him to do what he thought was right, and Zelano did. He went out with his union, and he led the leaderless strikers.

His story and the story of other earnest men in his union got into the press, and again a unique thing happened. The public, even though it was being inconvenienced by the strike, responded to the David-and-Goliath aspects of the struggle, and unsolicited cash donations began to come in to Zelano and the M.B.A. to keep them going.

Gallant Rebels

It was approximately at this point that the writers of this article, working together as a reporting team on the story, began to get close to Zelano and some of his followers. Covering the strike day-by-day, we began to appreciate the tremendous odds that the strikers faced, and we admit to a feeling of sympathy for the gallantry with which they faced them. One of our first shocks came when we learned that, even in their own headquarters—even at Zelano's own desk—there was no privacy. The New York Police Department had taken the unusual step of stationing detectives from the Special Services Squad virtually at Zelano's elbow. The detectives worked in shifts twenty-four hours a day, and Zelano and the strikers could not make a move or express a thought out loud free of this constant surveillance.

Sensing what was happening, Gene Gleason, the reporting half of our team, tried to warn Zelano. We were both convinced that, if city detectives had been planted right in his office, other and less obvious means of espionage were being employed, and we suggested to Zelano that he check his telephone for a tap and his office for hidden microphones. Zelano, too decent a man for what he was up against, insisted

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that we must be imagining things.

Conviction came to Zelano abruptly, rudely. Late on a cold, snowy winter night, Dec. 11-12, 1957, he went into a delicatessen downstairs from union headquarters for a cup of coffee. He was sitting at the counter when he overheard a couple of men, obviously detectives, discussing in intimate detail a telephone conversation he had just held over his private phone in his union office. When he heard that, Zelano knew at last that the officialdom his union had defied had put into use all of the eavesdropping devices of this modern electronic age.

Where Did the Wire Go?

Zelano left the delicatessen and hurried upstairs to his office. He searched it thoroughly. And, taped to the underside of a radiator near his desk, he found what he was looking for—a hidden microphone. A tiny wire led from the microphone out a window and across rooftops, vanishing into the snowy night.

Shocked and angered, Zelano did two things swiftly. He telephoned a protest to the Police Department, and he telephoned Gene Gleason, saying: "You were right. I just found a bug in the office."

Gleason was on the scene in a few minutes. When he arrived, the tableau would have been ludicrous, except that this was hardly a laughing matter. Police were standing around and looking at the microphone Zelano had discovered. Their faces wore the look of men who had just been introduced to a zombie. "Well, what do you know about that?" they seemed to say.

Except for this mild expression of official surprise, the police seemed frozen into immobility. Nobody was trying to find out where the wire from the microphone led. Gleason suggested that it was important to trace the line quickly to see who might be at the listening end because, only if the listener were found at his post, could it be ascertained beyond doubt who had done the bugging. None of the detectives who were on the job disputed his thesis, but none of them made a move to follow it up. So Gleason clambered out into the night himself and tracked the wire over a couple of nearby icy roofs; but the footing was too treacherous even for him and he had to give it up.

What he couldn't get out of his mind, however, was the complete apathy of the cops. They were so disinterested that Gleason was convinced they either knew where the wire went, or didn't want to find out. Smelling a rat, he returned to the scene at midday and found the police calmly rolling up the listening-in wire, plodding along toward the room where the recording equipment had been installed. By now —nearly twelve hours after the discovery of the bug—there had been plenty of time for warning, and it would have been one of the miracles of the ages if an eavesdropper had been found. Naturally, none was—and naturally, since none was, it was impossible to prove who had been responsible for the bugging.

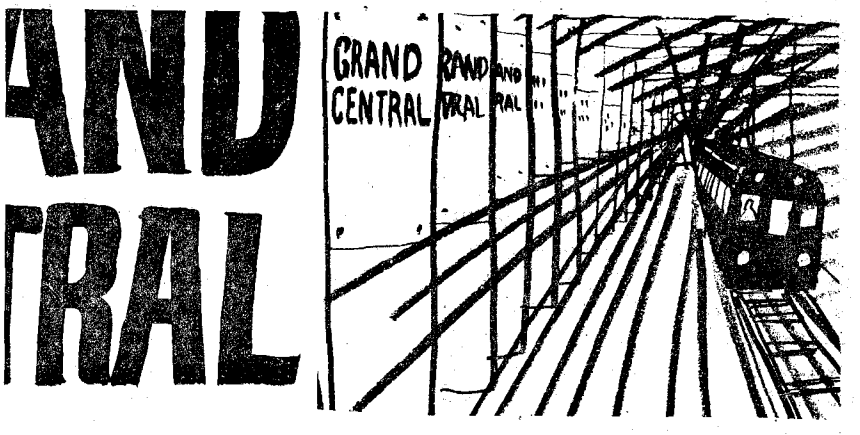
A Little Man Talks

Suspicions were rampant, but for an entire week nobody could justify them. The Police Department announced that it was "investigating." Every day, when reporters asked at headquarters, they were told that the department was still "investigating" — and that it still had no answers. By the time seven days had passed, with no news to keep the issue alive, the bugging incident had almost faded out of sight, just as most New York scandals fade in a miasma of vague investigation and inaction.

There is one thing, however, that even a $2 billion-a-year bureaucracy cannot quite control—the human spirit, the human desire for fair play. Time and again, when the behind-the-scenes maneuverings of the masters of New York begin to smell like a two-ton truckload of rotten eggs, we have found that there are little people, working far down in the catacombs of the bureaucratic monster, who simply can't stomach the stench any more. When they reach their limit of tolerance, they have to unburden themselves, and if you've been doing the kind of reporting that makes them believe you're honest and interested, they come to you. One of them came to us now.

He supplied us with names, details, specific facts. He told us that the Transit Authority had installed its electronic eavesdropper in April, shortly after the M.B.A. had rented its headquarters. The line had been monitored constantly for months; for months, every word that had been uttered by M.B.A. officials had been recorded by Transit Authority detectives, *working in cooperation with the city police!* Our informant even supplied us with names of the detectives who had been on the wiretap detail; we checked out his information—then broke the story.

The eight-column headline of Dec. 19, 1957, in which we accused the Transit Authority of spying on one of its own unions, caused the roof to vibrate at City Hall. Mayor Wagner was in a meeting of the Board of Estimate when Peer, his secretary, rushed in with the newspaper. The Mayor, visibly disturbed, told Peer to demand an explanation from the Transit Authority. Peer telephoned O'Grady, the Mayor's personal appointee and the labor expert on the authority board, and O'Grady, amazingly, told him: "No comment." Even more amazing than this refusal to be frank with the Mayor who had appointed him was



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O'Grady's continued adherence to a patter of pious pretense that had already lasted for an entire week. "The Police Department is investigating, and we will get a report from the Police Department," he said.

Deceit All Around

The press of the city, quite correctly, took "no comment" in these circumstances to be tantamount to a confession of guilt. Pressure was put on a squirming officialdom from all sides. The first crack in the official dike came the next day, Dec. 20, when Police Commissioner Stephen P. Kennedy acknowledged that police had known about the bugging all the time. Mayor Wagner, confronted with this admission by his police executive, stormed the way a nice guy should. The bugging, he said, was "reprehensible," and he added: "I'm going to get to the bottom of this."

Asked if he felt Commissioner Kennedy had deceived him, the Mayor said: "The Police Commissioner should have informed me." Asked why the police had pretended for seven days that they didn't know anything about the bugging when they had known all the time, the Mayor said: "That's a very good question for Commissioner Kennedy to answer." Everybody in the city agreed that it was a good question. Even Deputy Commissioner Walter Arm, Kennedy's own public-relations man, acknowledged that it was. Asked why the department, for seven days, had deceived the Mayor and the public with "no comments" and "we're investigating," Arm admitted: "Well, that's a very tough question to answer."

It was so tough, in fact, that it hasn't been satisfactorily answered yet.

The police alibi, as it was finally perfected, boiled down to this: the police didn't install the eavesdropping equipment—the Transit Authority did. Anyway, the action was "legally justified" because the strikers might have been contemplating violence, and the bug was necessary to help the police put down crime and protect the public. Furthermore, said the police righteously, they had had no direct personal contact with the whole business until the strike actually was called. Then, it was true, they had installed a city detective in the receiving room to monitor information—just to protect the public, you understand; and it was true that, in this protective capacity, a city detective actually had been on duty at the other end of the wire when Zelano discovered the bug.

For sheer travesty, it is difficult to see how anything could top this sequence—except the sequence of travesties that was to follow.

The semblance of official righteousness and anger quickly faded. Mayor Wagner, who had authorized Peer in those first hours of unmasking to tell the press, "I am mad as hell," didn't stay "mad as hell" very long. Asked later the same day whether he would demand O'Grady's resignation, since O'Grady was his own appointee and, as the Transit Authority's labor boss, was the man directly responsible, the Mayor hedged indecisively. "I don't indict a man for something he says in the way of no comment," he said. He added that he planned "to talk" to O'Grady. He went on to point out that he himself would never do the thing that had been done. "I don't believe in that type of operation. I would not use it. I would not approve it," the Mayor said. The effect was of a man presenting two irreconcilable images. The Mayor spoke the right words, but in speaking them he revealed his predilection never to act—and so to countenance the deed that he would never himself commit, but which nevertheless had been done.

Probe at Snails' Pace

The attitude was so obvious that, in its City Hall column of Dec. 27, 1957, just a week to the day after the Mayor's "mad as hell" statement, the *World-Telegram and Sun* predicted with complete accuracy that no official heads would roll—that no one would suffer for the labor-spying action that everyone was agreed was a very heinous offense indeed.

In the shock of the first few hours after the acknowledgment of the Transit Authority's guilt and the Police Department's guilt, Assemblyman Anthony P. Savarese, a Queens County Republican, started a legislative investigation. Savarese is the son of the surrogate who had met William O'Dwyer in Frank Costello's apartment and, like his father, he has some associations with Tammany figures. One of the more obvious of these connections is the fact that he is a director of the Federation Bank and Trust Company, headed by Thomas J. Shanahan, the money man of Tammany and in many campaigns the official Tammany fund-raiser.

Despite this connection, Savarese sounded at first as if he meant business. "A lot of people are stalling and covering up," he said in announcing his probe. "I believe a crime has been committed, a felony in violation of the eavesdropping law. . . . Since a felony is involved, I went to see District Attorney Hogan on Tuesday. He said he was expecting a report from police within a couple of days. I talked with Hogan again today, and he was still expecting a report in a couple of days."

Smothering the Fire

This snail-like snuggling up to the facts by Hogan was typical of the entire gingerly official approach to revelation in the M.B.A. bugging scandal. Savarese's own committee, after this angry initial blast by its chairman, helped to smother a large part of the fire by taking testimony in secret. There is nothing quite so dandy as a secret investigation to keep the clash of testimony, the embarrassment of trapped witnesses, the ridiculousness of the transparently phony excuse, from registering with the public.

Still, the probe—such as it was—did lift the lid a few times and give the public a peep or two at the foul stew in the pot. One such peep was provided by Thomas O'Rourke, chief of the Transit Authority's police, who testified under oath that the Police Department had been "part and parcel" of the labor-spying ever since a bug was first installed in 1955—more than two years before the strike. A Police Department spokesman, splitting hairs to a nicety, denied the department had been "part and parcel" of the act, but admitted it had been "part and parcel" of the fruits of the act, since it got regular reports from the

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Transit eavesdroppers about what they had learned.

The three Transit Authority commissioners in their testimony tried to place all the responsibility for the bugging on O'Rourke. They insisted they hadn't authorized the bugging, or known of it. "In the unlikely event that their denials are true," said Savarese in summarizing their testimony, "these men stand self-convicted of non-feasance, negligence, incompetence or just plain stupidity." Self-conviction on just one of these counts, one might have thought, should have disqualified the commissioners from holding their plush jobs; but obviously you don't boot out a Transit Authority chairman, who draws down $35,000 a year, or his two fellow commissioners, who get $30,000 each, for such little things as "non-feasance, negligence, incompetence or just plain stupidity." Top officialdom always takes care of its own.

'Twas a Pity

Even the pretense that the M.B.A. bugging had been undertaken to protect the public from possible violence at the hands of the strikers didn't fare very well, not even under the dimmed spotlight of the Savarese committee. "Despite all these two years of listening, no crime was recorded," Savarese said. And so this argument, the only possible legal justification of the deed, collapsed of its own weight. But again nothing happened. District Attorney Hogan studied the minutes of the Savarese committee, the New York County grand jury took testimony for six sessions, then reported that it couldn't find any legal basis on which to indict anyone. Everybody agreed that the whole thing was a shame and a pity, but a shame and a pity don't constitute a crime.

Perhaps not, but it seems a little hard that, as the sequel was to show, only the innocent should suffer and only those who actively participate in shady business should be rewarded. At the state capital, on the recommendation of the Savarese committee, the Legislature passed a bill to tighten up loopholes in the wire-tapping and bugging law. Governor Averell Harriman, who like Mayor Wagner owed his official prominence to Carmine De Sapio, vetoed the measure. Almost simultaneously, however, he signed another bill permitting the Transit Authority to set up a full-scale detective division on a par with the detective division of the Police Department. As a result, on May 1, 1958, only a little more than four months after even Mayor Wagner had professed shock at the "reprehensible" bugging of the M.B.A., the Transit Authority took advantage of its new detective divisional setup and promoted three of the men who had manned its labor-spying equipment.

The Rewards of Courage

When it was pointed out to the Authority that the three eavesdroppers were being rewarded for their activities with promotions and higher pay, a spokesman said: "They were all exonerated by a grand jury. We think all of them are good men."

The strike of Zelano's union ended after nine days. The settlement that was reached with a City Hall that had been compelled to negotiate seemed to guarantee the union fair play. Mayor Wagner personally pledged that there would be no job discrimination against the strikers, and he gave their leaders what seemed at the time a categorical assurance against reprisals when he said, "There will be no summary dismissals." No sooner was the strike settled, however, than these assurances began to ring with a hollow sound. Many of the M.B.A. strikers, men with long seniority, suddenly found themselves switched to the worst shifts and the dirtiest jobs. Charges were preferred against thirteen members of the union who had been most active in the strike, and Mayor Wagner appointed a hearing officer to take testimony. On the latter's recommendation, fines and suspensions were meted out, and on Dec. 29, 1958, the two top strike leaders, Zelano and A. J. Johnson, were fired from their jobs by the Transit Authority.

The United Transit Employees Council, which had been formed to represent all the anti-Quill craft unions, took up the cudgels for Zelano and Johnson. Two of its leaders buttonholed Mayor Wagner as he was leaving a luncheon of the Bankers Club and extracted from him a promise to sit down with the U.T.E.C. and discuss the harshness of the Zelano-Johnson firings. A conference with the union was officially scheduled for 2:30 P.M., Jan. 7, 1959, but it was never held. Some four months later, Mayor Wagner was taxed about this broken personal promise in a City Hall press conference; asked when he intended to review the firings as he had promised, he said: "Oh, I don't know." And that was that.

Or it would have been except that there is still one more chapter of this story that has to be told—a chapter of violence. While city detectives were spying on the M.B.A. because the M.B.A. might be contemplating crime, crime was being committed—the crime of violence and intimidation against the leaders of the M.B.A. and their families.

In mid-November, 1957, less than a month before the strike, two men in a high-powered car chased Zelano through Brooklyn streets, sideswiped his vehicle and forced it into a light stanchion. Zelano, fortunately, escaped unhurt, but this initial experience was only a warning of what was to come.

When the strike began, the campaign of violence and intimidation stepped up in tempo. On Dec. 11, 1957, while Theodore Loos, M.B.A. president, was in jail, his wife, Beatrice, received a series of five threatening telephone calls from a gruff-voiced man. In the last call, the man warned: "If you don't watch yourself, you're going to get acid thrown in your face." Mrs. Loos reported the incident to police and was given protection until she decided to leave New York for the duration of the strike.

Zelano Wouldn't Quit

Mrs. Loos's experience wasn't an isolated one. On the morning of Dec. 12, one of Zelano's daughters answered the telephone in their Brooklyn apartment and heard a gruff voice say: "Do you think your father's being smart? He better get back to work—or else." On that same day, in Nassau County, adjacent to New York, authorities were investigating an attack on Mrs. Peggy Buccarella, whose husband, Nicholas, was executive vice president of another craft

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union, the Signal Electricians Benevolent Association. Mrs. Buccarella, who expected a baby in two weeks, was walking along the street when a Cadillac containing two men drew up beside her. One of the men jumped out, shoved her against a wall and ripped her clothing. She was warned, she said, that she would "get more if your husband doesn't cut it out."

After the strike, the pressure became too much for many members of the M.B.A. Loos, released from prison, finally abandoned the fight and took his men into Mike Quill's Transport Workers Union. But Frank Zelano wouldn't quit. He continued his battle for independent unionism, getting elected to the presidency of the United Transit Employees Council.

Somebody, evidently, didn't love him for this. In early April, 1958, he began to get a series of threatening telephone calls, but he shrugged them off; threats were getting to be old hat by this time. Early on April 6, Easter Sunday morning, he was driving back to his home when a large, blond man in a Buick Special drew alongside of his car at a traffic light. As Zelano pulled away from the light, the burly blond man gave chase, trying to force Zelano's car off the road. The union leader ducked up a side street, switched off his car lights and waited for twenty minutes before venturing back on the main highway he had to follow to get home. Almost at once, he said afterwards, the blond man in the Buick swished up out of the night. This time there was no escape. Zelano's car was sideswiped, driven off the road and smashed into a light stanchion with demolishing impact. Zelano was pinned behind the wheel, unconscious for half an hour.

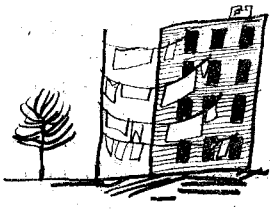
"What's His Hurry?"

When he was taken to a hospital, it was found he had a compound fracture of the right knee, cuts over the right eye that required six stitches, a brain concussion, shoulder and chest injuries and a fractured right hand. The miracle was that he was alive. And the shocking fact was that, when he tried to tell police what had happened, they didn't seem interested. They didn't even want to accept a complaint. In desperation, Zelano telephoned us from his hospital bed, and when we checked with an assistant chief inspector in charge of the Brooklyn Borough Patrol, this is the answer we got: "Why doesn't he wait until he gets out of the hospital and go down to the station house? What's the hurry? Let him go down and make a complaint where he should make it. He has a pen and pencil."

That's what the inspector told us. Of course, when Zelano's charges that he had been run off the road and almost killed by a man "obviously out to get me" hit the headlines, there was a flurry of investigation by the police and the Brooklyn district attorney's office—and, of course, nothing ever came of it.

Some two months later, in late June, Zelano's union charged that police had made an "ineffectual investigation" of the continuing threats and attacks on independent union leaders. Zelano disclosed that, even as he was recovering from his accident injuries, he received a threatening telegram that read: "You didn't get enough April 6. More coming your way."

Thoroughly disillusioned with New York officialdom, Zelano and his U.T.E.C. have sought redress in the courts and have appealed to the McClellan Senate Rackets Committee for a hearing. In a brief filed with the McClellan committee, Zelano's union made fifty-six specific allegations. Among them, it charged that "as of Jan. 12, 1959 the telephones of the U.T.E.C. were being tapped." The brief didn't indicate who might be responsible for the tapping, but since such an operation would be extremely difficult for any except skilled detectives, the intimation was that authorities, trying to nip criminal plotters in mid-plot, no doubt, were still keeping the independent union under strict surveillance.



PART 6 THE MAN WITH TEN HEADS

WHEN ROBERT WAGNER became Mayor of New York, he inherited many problems, not the least a ten-headed man named Robert Moses. A tall, driving figure, born in 1888 and still a human dynamo, Moses held ten official titles on some of the most powerful public-authority and planning agencies in the city and state. During the years, he had handled the spending of some $5 billion in public funds; he had been almost universally praised; and he was a man possessed to the marrow by an unshakable conviction in the rightness of his works and the perfection of his genius. He had a dictator's dislike of criticism; at the slightest opposition, he would burst into scorching invective, earthy, picturesque, breeches-searing. These characteristics had made him known as "the terrible-tempered Moses," and his venom had left its mark on every Mayor of New York for nearly thirty years, with the exception of Fiorello LaGuardia, who never scared and always gave as good as he got. In Moses' gallery of scorched mayoralty effigies are such capsuled, vitriolic portraits as these: Jimmy Walker, "half Beau Brummel and half guttersnipe"; John P. O'Brien, "a winded bull in the municipal china shop"; John F. Hylan, "the raging Bozo of Bushwick"; and J. V. McKee, "a synthetic character who never actually lived on land or sea, puffed up by the press."

Mayor Wagner, who doesn't like to clash head-on with any man, who doesn't like to hurt anyone's feelings,

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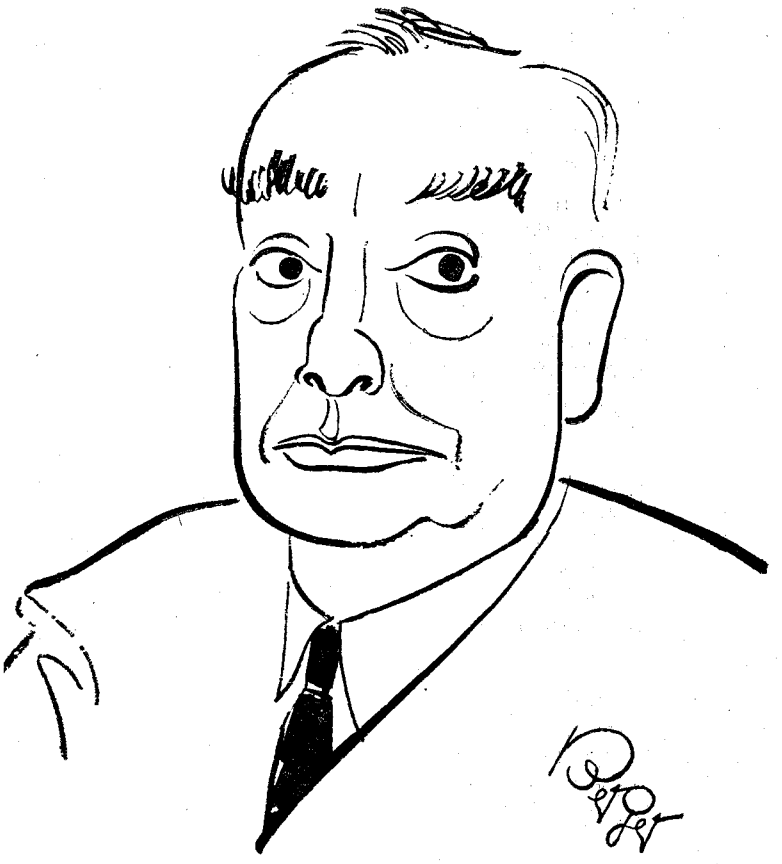
inherited this panjandrum just when Moses was off on one of his greatest planning sprees. If it is ever carried out in its entirety, huge sections of New York will be torn down, uprooted and rebuilt at a cost of $1.5 billion.

The program, on which Moses had embarked before Wagner became Mayor, is known as Title I slum clearance. The name derives from a section of the National Housing Act of 1949, and the program is the brain-child of three Senators—the late Robert A. Taft, of Ohio; Allen J. Ellender, of Louisiana; and the late Robert F. Wagner, of New York, father of the Mayor. The conception was this: cities would condemn huge slum areas and would turn these over to private developers for what it was estimated that the land, devoid of buildings, would probably cost. The difference between the value of a slum area complete with buildings and the same area without would be met by the taxpayers, with the federal government paying two-thirds of the so-called "write-down" and the municipal taxpayers one-third. This multi-million-dollar, taxpayer-financed "write-down" would be an inducement to private enterprise to invest additional millions to erect new and modern middle-income housing, refurbishing the faces of our cities.



Robert Moses

Image and Reality

One of the first municipal planners in the nation to recognize the tremendous potential of Title I was Robert Moses. He saw in it the possibility for a Gargantuan remodeling of New York, and with his customary vigor and enthusiasm, he began to rush a spate of ambitious projects across the drawing boards. In such a field, Moses' word virtually was law because of his vast prestige and his manifold posts.

The ten-titled Moses held just two salaried public jobs, but some of his unsalaried positions gave him the power that control over millions of dollars gives any man. Moses' paying posts were those of the New York City Commissioner of Parks at $25,000 a year and State Power Authority chairman at $10,000 a year. In his even more influential non-paid jobs, however, he headed the Triborough Bridge and Tunnel Authority, the Long Island State Park Commission, the Jones Beach State Parkway Authority and the Mayor's Committee on Slum Clearance. He was in addition a member of the City Planning Commission and City Construction Co-ordinator. In these last three roles, he was in a position virtually to dictate the shape of the city's future.

At the time, no one challenged the wisdom of the setup. In his long career, even though some $5 billion had passed through his fingers, Moses had never been tarred by money scandals; he had built up a public image of incorruptibility. He had taken over the graft-ridden New York City park system when LaGuardia became Mayor; he had expanded, beautified and purified it, removing from it the stink of corruption. He had planned and built great expressways, tunnels and bridges; and if his domineering path through public life had been marked by the angry outcries of some on whom he had trodden, it was the kind of enmity that Great Doers must expect as they drive with ruthless efficiency along the path of accomplishment and destiny.

Out of the Past

This, no doubt about it, was the almost universal attitude with regard to Robert Moses when he embarked on his Title I slum-clearance program. Yet, to those who looked closely, it was evident that his career had been studded with traces of a megalomania that might well have given cause for wonder about what would happen when, in his grandiose passion for rebuilding, he was given supreme power over the homes and lives and livelihoods of hundreds of thousands of the city's residents. For example, back in 1925, W. Kingsland Macy became embroiled with Moses over the seizure of some Long Island land. Macy, later a Congressman from Long Island, declared to *The New York Times*:

> Mr. Moses told me personally that his power was such that he could seize my house, put me out of it and arrest me for trespass if I tried to get into it again. It may well be

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that the state should have such powers in reserve for use as a last resort, but it should not be the plaything of an arrogant and arbitrary-minded man. . . .

Mr. Moses told me not only that he possessed this arbitrary power, but that he was able to control the press of New York City, so as to hold me up to such obloquy that I would not be able to stand it. . . .

Whether Moses controls the press or not, the evidence is conclusive that for years and until quite recently he had been practically immune to journalistic criticism. The reflected image that the public received of him was of a man on a pedestal. His terrible temper, his arrogance—certainly two of his most revealing traits—became little more than the colorful idiosyncracies of a great man in the generally one-sided portraits that glowed from the pages of the largest metropolitan newspapers and the glossy mass-circulation national magazines. So fixed and immutable was this image that it persisted undimmed despite the fact that, as Moses' Title I program swung into action, it created such injustices that public outcry mounted—the outcry of humble and frustrated people who could find no forum for a cause that brought them into conflict with such an all-powerful idol.

Miracle That Never Was

Resentment was at fever heat—and was being generally ignored in the press—when we, as newsmen, took our first close look at Moses' Title I slum-clearance program in mid-1956. By that time, the great face-lifting operation had been under way for four years. Ten projects recommended by Moses had been dutifully approved by the city government. The slum areas had been condemned at a total cost of $94,633,896 and they had been resold to private interests for $24,719,534—a difference that meant federal and municipal taxpayers had a $70 million stake in what was happening. Despite this $70 million subsidy, despite four years of effort, progress on the ten projects, according to a report by City Comptroller Lawrence E. Gerosa, had been "disappointing." Only 65 per cent of the residential tenants in the areas to be demolished had been relocated in new homes; only 57 per cent of the commercial tenants had been relocated; only 44 per cent of the slum buildings had been torn down. And even the $24,719,534 payment the city was to get from private sponsors hadn't all been paid in cash; the city held purchase-money mortgages for $11,670,983, nearly half of the amount, and on this paper it was collecting only 1.6 per cent interest.

This did not seem like progress; this did not seem like the characteristic, perfect efficiency of the Great Doer. And so we began to delve into the Title I slum-clearance operation.

In the city records was a graphic and beautiful drawing. It showed seventeen majestic, twenty-story apartment buildings surrounded by beautiful landscaping, each basking in space, open on all sides to light and air. These marvelous new apartments, according to an elaborate and glossy brochure put out by Moses' Slum Clearance Committee, should be nearing completion at just this time in a six-block section of Manhattan's Upper West Side that had been designated Manhattantown. We couldn't wait to see what this entrancing vision must look like in reality, and so we went to the area bounded by Amsterdam Avenue and Central Park West, by 97th and 100th Streets, to take a look for ourselves.

Scene of Desolation

We were shocked to find, not the gleaming and beautiful apartment houses the brochure said should be there, but a scene of unbelievable desolation. Manhattantown looked like a cross section of bombed-out Berlin right after World War II. Some of the tenements were still standing, broken windows gaping sightlessly at the sky, basement doors yawning uncovered on the sidewalks; and surrounding them were acres strewn with brick and mortar and rubble where wreckers and bulldozers had been at work. In the ruins, in the shells of buildings, people still lived. They clung to apartments in structures half-wrecked by vandals, apartments that were often without heat and sometimes without even water; they lived on amid ruins and rubble because in this overcrowded, housing-short, price-mad city they had nowhere else to go.

How had this happened? How had the glorious prospect of Title I slum clearance degenerated into this tawdry, revolting scene of misery and desolation? The history of Manhattantown tells much about what, for years now, has been the slowly mounting and explosive scandal of the $1.5 billion Title I program in New York.

Moses and Manhattantown

The Manhattantown project, approved by Moses' Slum Clearance Committee, was presented to the Board of Estimate, guardian of the municipal purse strings, for final ratification on Sept. 20, 1951. It was shadowed at its inception by the kind of secrecy that, throughout the history of Title I, has marked the deliberations of Moses' committee. The private interests that were to get the six-block Manhattantown site at a bargain-basement price with the help of the taxpayers' pocketbooks had already been selected, but the public wasn't told. A newspaper account at the time reported with an air of quiet acceptance: "The committee . . . said that a 'firm offer' has been received from a 'reliable bidder' whose identity was not disclosed."

Just a week later, on Sept. 27, 1951, the Board of Estimate approved the project. The speed and ease with which it went through vividly illustrated Moses' prestige. The plans called for seventeen tall and proud apartment buildings capable of housing 2,720 families—some 8,840 persons—to be completed by August, 1956. The city condemned the six-block area for $16,261,652 and turned it over to the private developer on Aug. 20, 1952, for $3,106,771. Of this amount only slightly more than $1 million was paid to the city in cash.

The law provides, of course, that when such huge chunks of city real estate are disposed of to private interests it must be done by public bidding. As the Moses system has worked out in New York, however, tentative designations are made—while the projects are in the planning stage—behind the closed doors of the Slum Clearance Committee. When

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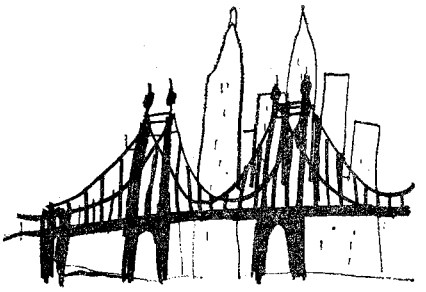
a project has been approved by the Board of Estimate, public bids are sought. But on Moses' projects, there is almost invariably just one bidder —the group that got the original, tentative designation in private conference. In the Manhattantown case, the organization that had the inside track was Manhattantown, Inc. Its president was a builder named Jack Ferman, and its cast of characters gave off a heavy Tammany clubhouse smell.

This is a reek that usually warrants investigation, and in investigating, we were intrigued by a second unusual angle in Moses' Title I operations. In every other city in the nation, municipal authorities condemned the slum areas to be redeveloped, moved out the residents and relocated them in new homes, then demolished the slum buildings and turned the vacant land over to private developers. Moses had declared that such a system would not work in New York. He could not get firm commitments from responsible builders, he said, unless the slum sections to be redeveloped were turned over intact, with buildings still standing and tenants still paying rents. Just why this should be so in New York—and nowhere else —has never been quite clear. Federal Housing and Home Finance Agency officials in Washington, the federal overseers of the program, confessed they didn't like the New York method at all, that they were apprehensive it would lead more to profiteering than to building; but they had gone along with Moses, they said, because they needed local cooperation to get Title I started and, unless Moses had his way in New York, there would be no cooperation.

Senatorial Probe

The fear that developers might try to keep an old slum going for as long as possible while they skimmed off a fortune in rents proved amply justified by what happened in Manhattantown. From the start, the project had aroused local suspicion and antagonism. In the fall political campaign in 1951, candidates in the district charged that the new development, when completed, would succeed only in driving away residents who had lived there for years because the new apartment rentals would be so high that only the relatively well-to-do could afford them. There were hints, too, of sinister political influences behind the project and rumblings that residents were getting callous treatment at the hands of the developers. City newspapers dutifully printed a few paragraphs, tucked away next to the want ads, but nobody bothered to go and look, nobody bothered to try to talk to the people. And Manhattantown became just a vague name that cropped up in the papers now and then.

In the fall of 1954, however, the project got a brief headline whirl. Mayor Wagner had now been in City



Hall for almost a year; the private developers had had control of the Manhattantown site for more than two years; and though nobody in the city seemed to care what was happening, the odor of things gone radically wrong permeated all the way to Washington where, on Sept. 27, the U.S. Senate Banking and Currency Committee announced it was going to hold a public hearing to find out why no new homes were being built.

The committee came to New York for a one-day stand on Oct. 1, 1954. The star witness at its hearing was Samuel Caspert, secretary of Manhattantown and spokesman for the corporation. Caspert was an intriguing figure. He had begun his career, not in the construction industry, but in the Tammany clubhouse. He had been a public auctioneer, and Mayor William O'Dwyer had seen fit to make him a city marshal. Now he was a power in the "reliable" corporation to which Moses' committee had turned over a $16 million slum for $1 million cash.

On the witness stand, Caspert's memory had a way of failing him at times, but the things he did remember proved startling enough. He disclosed, for example, that Manhattantown, Inc., had an eight-year contract for legal advice with the law firm headed by Samuel Rosenman, a former judge and widely known Democratic brain-truster. Rosenman had been a prominent speech writer for former Presidents Franklin Roosevelt and Harry Truman, and he was a close confidant of Governor Averell Harriman. Manhattantown, on its eight-year contract, had guaranteed his firm $250,000.

To the average citizen, this looks like a pretty fair hunk of pie, but as Samuel Caspert was to reveal, it was only a thin slice. One particularly fascinating deal siphoned off more than $100,000 in less than a year, and it was wangled like this. Caspert set up a separate corporation headed by his son-in-law. Son-in-law's firm then bought from Manhattantown all the gas ranges and refrigerators in the tenements, paying Manhattantown $33,000. Then Caspert's son-in-law rented the appliances Manhattantown had just sold him right back to Manhattantown. The rental fees must have been pretty fancy, for Caspert acknowledged that, in less than a year, Manhattantown had paid his son-in-law's firm $115,326 for the privilege of using what had been its own appliances.

Then, after this handsome profit had been skimmed off the accounts of the parent corporation by son-in-law's firm, Manhattantown obligingly bought back all the old gas ranges and refrigerators for just what son-in-law had paid for them in the first place—$33,000. Manhattantown wound up right where it started, but Caspert's son-in-law's firm had pocketed $115,326 in this little game.

The City Yawns

By such devices, the Senate committee declared in its report, insiders in the Manhattantown operation skimmed off $649,215 in the first eighteen months of operation.

This is a fairly sensational figure. But in New York it evoked only official yawns. On Randall's Island, where the energetic Moses presided over slum clearance, there was no

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sudden angry eruption, no drive to clean house, no acknowledgment even that the house needed cleaning. Down at City Hall, Mayor Wagner and his aides acted as if they never read the press. And the press, having had its one-day headline, obviously didn't give a hoot either. Once more, the goings on at Manhattantown faded into oblivion.

As months passed, more smothered rumblings of discontent came out of the area. The highly-reputable Women's City Club of New York conducted a survey and issued a report sharply criticizing the manner in which Manhattantown residents were being shoved around in relocation. City newspapers dutifully printed a few paragraphs about what the women's club had to say. The Metropolitan Garage Board of Trade charged that, where tenements had been torn down, parking lots had been installed. It called this an "outrageous abuse." These charges were buried and quickly forgotten. Even though the federal and municipal taxpayers had a $13 million stake in Manhattantown, the creation of parking lots instead of housing caused no indignation.

Demands Inquiry

On May 29, 1956, some twenty months after the Senate committee had given New York officialdom a detailed look at the kind of eggs it was hatching, City Councilman Robert E. Barnes, a Republican, introduced a resolution demanding an investigation of all ten Title I projects because, he said, "disturbing reports" had reached him. He was the only official who was disturbed. The council simply shelved his resolution and interred the whole issue in official silence.

Only the speculators were doing well, and how well they were doing we found out from city auditors, who had been checking the account books that Manhattantown turned over to them. The auditors determined that the owners of the project, by paying themselves fancy fees and swapping around their own appliances, had cleared by the most conservative estimate more than $1 million in the first three years of operation. And still buildings were being rented amid the rubble of others that had been destroyed. Still, four years after Manhattantown took possession, only one short month before the project was scheduled for completion, not a single building had been started.

What happened when we disclosed these details in a series of articles so prominently displayed that they could not possibly be ignored? Were Moses the paragon in whom the public had been led to believe, were Mayor Wagner the dedicated and high-minded public servant his press agents had pictured, one might have expected prompt and vigorous action to put right a situation so obviously and so palpably wrong. What happened, however, was not a clean-up but a cover-up.

The "Boob" Reporters

Moses, in characteristic manner, attacked. We were a pair of boobs, he said in effect. We had indulged in "irresponsible" reporting; the $1 million profit figure we had cited was "fantastic." Since Moses' contracts were so worded that a developer was entitled to pocket 10 per cent—and charge it off to the cost of operation—before technically he even began to show a profit, it was possible to make out a bookkeeping argument that a man was going virtually broke when all the time, as a practical matter, he was stuffing his wallet with the green.

Moses preferred the practically broke view; little items like lush fees and the swapping of appliances, all of which padded the corporation's so-called "expenses," were ignored. Furthermore, Moses said, the whole trouble at Manhattantown had been caused by federal officials; the blasted FHA had procrastinated so much about underwriting a loan for the project that the poor developers hadn't been able to get going. They'd been hamstrung by federal red tape; everything was Washington's fault —not Moses' fault; and it was really a damnable outrage. Mayor Wagner said that of course Moses was 100 per cent right.

This delicate refusal even to look at what was going on could only bolster suspicions that potent figures in the big-power city government had a stake in what was happening. Time and again, when we went into the Manhattantown area in mid-1956, we heard bitter complaints about "the gang down at City Hall" that, residents felt, must be responsible for the worse-than-slum treatment they were getting.

Building New Slums

One man we remember especially is the Rev. Patrick Raftery, priest of the Holy Name Catholic Church at 96th Street and Amsterdam Avenue. Several of the clerics in the Manhattantown area, Father Raftery said, had tried to find out who was "really behind" the project, who was protecting it; but even men of the cloth couldn't learn anything. The priest shook his head sadly. There was no question, he said, that the old slum area should have been rebuilt, but he added firmly: "No one can go along with the way it has been done." He recalled that, when demolition started, hysterical mothers came to him for help. They had been given curt notices to evacuate within a month, and they had no place to go. Under the terms of the contract with the city, the developers were supposed to find new homes for these people, to pay their moving costs and relocate them; but in practice, in Manhattantown and in other projects, the developers profited if they could scare or force people out, scare or force them to pay their own moving expenses. "I had occasion to call the project office a few times trying to help parishioners," Father Raftery told us. "I was disturbed when they made the crack to me, 'Business is business.'"

The priest swept his arm around him. He pointed to what at one time had been solid, substantial brownstone homes near the Hudson River. Now many of these had become rooming houses, packed with the displaced humanity flowing out from the partially wrecked Manhattantown area. "The whole neighborhood is deteriorating rapidly," the priest said, explaining that new slums were being created where none had been. "Family life can't survive when speculators move into an area."

There is, of course, no law that says a developer has to get an FHA loan. Some projects have been fi-

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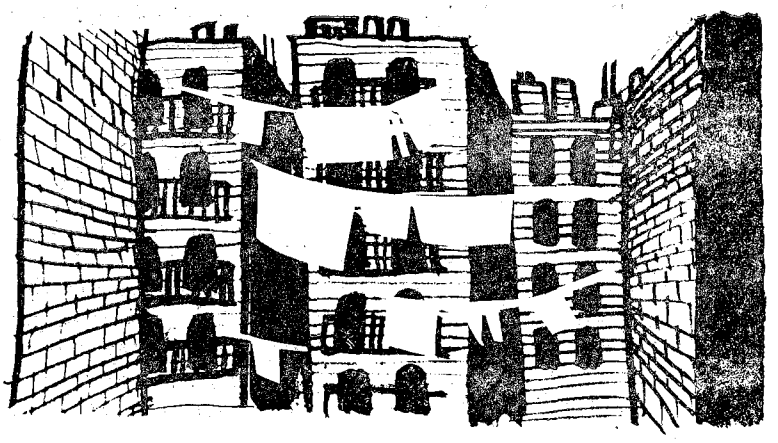

nanced without the FHA. It's up to the builder how he obtains his financing, and presumably, when a project is awarded, it is given to a "reliable" outfit financially competent to handle it. In addition, Manhattantown's developers, over the years, had made repeated statements about when they were going to get started, but when the date for starting came around, a new date was always set for the future. Moses' contention that everything was the fault of the FHA didn't look so good after the FHA had approved multi-million-dollar loans for Manhattantown which Manhattantown didn't even bother to pick up. The commitments lay around the FHA regional office in New York as unwanted as an old dishrag. And, all the time, up on the Manhattantown site, the rents still poured in.

Sicking the Watchdogs

All that really happened as a result of our exposé of Manhattantown was that a test case was taken into the State Supreme Court to see whether it was legal for Manhattantown to operate a parking lot on land where apartments were supposed to grow. The court decided the operation was perfectly legal; parking fees continued to pour into the coffers of Manhattantown; and Moses emitted a typical crow of victory.

Obviously, Moses and City Hall were determined to make no changes, conduct no investigation, push through no reforms. They weren't even going to admit that some reforms might be needed. Since this was clearly the attitude in a Tammany-dominated City Hall, we began to wonder whether Republicans might be more interested.

The state at the time had a curious setup. After Averell Harriman became Governor, the Democrats had named their own man to the key post of Commissioner of Investigations. It was a spot in which an energetic investigator might cause some disturbance by prying into the affairs of the Republican machines that dominate upstate New York. Recognizing this, the Republicans, who control the state legislature, quickly fashioned a counterploy, creating the so-called Legislative Watchdog Committee to keep an eye on Tammany Hall.

Naturally, we wondered whether the watchdogs might like to bark up the Title I tree.

In a conference with a high representative of the committee, we pointed out the possibilities. Here was a program that was going to run into billions of dollars. The control of huge, square-block chunks of city real estate was being turned over to private developers at fantastic bargain-basement prices. The Manhattantown scandal showed how, even at the outset, a golden stream could be kept flowing for years by milking rents out of tenements that were supposed to be torn down. Even the three-year, $1 million take that we had culled from the city comptroller's audit might not be the whole story. The audit was based on the accounts that Manhattantown turned over to the city; the city had no check on actual receipts in the project, no way of knowing whether the records it got were completely accurate. This seemed to us like meaty material, worthy of investigation.

The first—and frank—reaction of our Republican watchdog was simply this: "Well, I'm afraid some of our own boys must be mixed up in it."

"Sure," we agreed. "No doubt they are. It would be standard operating procedure for the Tammany machine to cut some good, influential Republicans in on the pie. But still the fact remains that Tammany controls City Hall. It's responsible. It will have to take the lion's share of the blame for anything that goes wrong."

Our watchdog seemed impressed. He took some notes and promised to look into it. A few days later, he got in touch with us, quite excited. Committee investigators had found that there were still so many persons living in the Manhattantown rubble—more than 1,500 in fact—that rentpayers sometimes queued up in lines a block long outside the Manhattantown collection booth. The watchdogs were interested, but they had a problem. They didn't have many investigators. Could our paper help by putting some men on the story?

Well, we could and we did; but after we had done the research, the watchdogs broke off a briefing session they had scheduled with us—and that was the last we ever heard of the watchdogs.

Nonpartisan Big Money

In doing some basic work for the investigation that sputtered and died, however, we probed far beneath the surface of the Manhattantown mess, and managed to uncover some of the political ties that threaded through the multi-million-dollar deal and affected the lives of thousands of people. Our research showed graphically that, when big power deals with big power, big money is the only language that talks to both; and when big money talks, both Democrats and Republicans are in the behind-the-scenes pot together and no top-level power is left on the outside to make the mistake of taking up the cudgels for the people.

Manhattantown began with Sam Caspert in a political clubhouse. Caspert was a vice president of Robert Blaikie's Democratic Club on the Upper West Side. At the time, Blaikie was one of the maverick

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Democrats who were bucking the De Sapio machine. He backed Franklin D. Roosevelt, Jr. for Congress against the wishes of the machine; he bolted the party to support the independent mayoralty candidacy of Impellitteri. When both Roosevelt and Impellitteri won, Blaikie rode high for a time.

When Caspert became active in setting up Manhattantown, Blaikie helped him out. Blaikie said that he telephoned Roosevelt in Washington and got the young Congressman to intercede for Caspert with federal officials. When Caspert took over the six-block area from the city, Blaikie handled the insurance, but only, he says, because Caspert came to him in desperation after four other brokers had refused to help him. For a time, Blaikie's wife was employed in the Manhattantown rent-collection office, but Blaikie insists his only interest in the project at its inception was to see that his district got better housing—something he thought it was going to get.

Many of the original investors, officers and employees of Manhattantown came out of Blaikie's political club. Although New York is the home of some of the largest and most reputable construction and urban redevelopment firms in the nation, it cannot be too strongly stressed that these were precisely the kind of experts who were NOT involved in Manhattantown, the city's first ambitious Title I project. It cannot be too strongly stressed that Manhattantown was loaded from the start with political clubhouse experts and that, as the political tides changed, so did Manhattantown's coloration.

Some Good Graces

The great switch came after the election of 1953 which saw De Sapio win with Wagner. With De Sapio in power, Blaikie was definitely out of favor, and ever since, he has been a bitter enemy of the Tammany boss. Coincident with the change in the political face of things, there were changes in Manhattantown. Blaikie no longer handled the project's insurance. Franklin D. Roosevelt, Jr. who, according to Caspert, served originally as attorney for the project without pay, faded from the picture and was replaced by Samuel Rosenman. Rosenman had opposed Roosevelt in the Congressional fight; Rosenman was a good friend of Harriman, who was to kill off Roosevelt's gubernatorial aspirations; and Rosenman's law firm wound up with that eight-year $250,000 contract.

On another front, Caspert cultivated connections. He was a man plagued with problems. He had come out of the 1954 Senate hearing with that $115,326 appliance deal draped around his neck. He had been a Blaikie man, and Blaikie was now definitely the wrong horse. Caspert needed a new public image, new sponsorship, and he began to discuss the possibility of forming a Title I builders' association. A man with whom he discussed this was George Grace, a brother of Thomas Grace, then head of the regional FHA office in New York.

Seek PR Man

In the fall of 1954, Caspert and Grace opened negotiations with the swank Madison Avenue public-relations firm of Carl Byoir. An executive of the Byoir outfit agreed that Madison Avenue magic could perhaps give Manhattantown and all of Title I a new look, but it would cost money. A fee of $50,000 plus expenses that would probably run $50,000 more was mentioned. It is perhaps indicative of the kind of money involved in Title I that Caspert and Grace didn't turn down Byoir on the spot; they merely said they'd think it over.

The thinking led to a decision that seems significant. Caspert and his other Title I partners got a public-relations man all right, but not Carl Byoir. The man they got was Sydney S. Baron.

"Much of Sam's trouble was with the De Sapio machine because of his ties to Blaikie," says a man who was an intimate of Caspert at the time. "He was hurting. He was on the list, and he went to Baron."

Baron explodes at the idea that his political connections with De Sapio had anything to do with his getting the account. "Carmine didn't even know I represented the Title I builders," he says. He took on the account practically as a public service, Baron insists; as far as money went, he got only a retainer of $1,500 a month, he never did get paid all of that, and he finally broke off connections with the Title I builders.

Baron admits that he set up some conferences for Title I interests with city agencies holding regulatory powers over housing, rents and health conditions. He admits that he personally sat in on some of these conferences, but he denies emphatically that he was exerting any political pressure, waving any big stick. Others take an entirely different view of the matter.

Curious Apathy

Tenants in Title I slums sometimes shivered in heatless apartments in frigid midwinter. They sometimes went without water and the most elemental services. One woman in a Manhattantown apartment complained to officials that she had had no hot water for three months; that, during the entire month of June, she had had no water at all in her apartment. Yet the health department took no action against Title I builders. Nor did the rent commission. Nor did other agencies. One rent commission employee was especially bitter in discussing the situation with us. He pointed out that normally, when a landlord cuts services, rent is cut; but, in Manhattantown, service and maintenance were slashed beyond the irreducible minimum required by health standards—and still the same rents were charged. In some instances, tenants were transferred from a building about to be demolished to another scheduled for demolition a few months later—and their rents were actually hiked.

"This whole situation is a shame and a disgrace," the rent commission employee said. But the big men at the top, the men of lofty vision, kept assuring the newspapers in public utterances that everything was fine.

Even another exposé of ours didn't shake the "all's well" attitude at City Hall. On April 24, 1957, we showed that, while Title I projects were collecting millions of dollars in rents from the slum neighborhoods, they weren't even paying the taxes and interest they owed the city. They were in arrears to the tune of

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nearly $1 million with Manhattantown, the principal offender, owing $414,360.08. This revelation, too, was belittled at City Hall. The delinquent taxes were just a paper matter, just a technicality, officials said; rest easy, they told the public, all the taxes would be paid.

The Mayor Was "Conned"

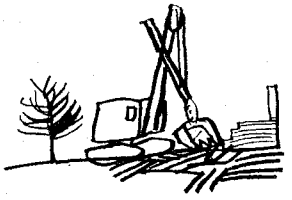
Again the facts collided with the pretenses. With Manhattantown not paying its taxes, with Manhattantown not even picking up its FHA commitments, with its land still not cleared and the first foundation still not dug after nearly five years of rent-collecting, even Robert Moses' Slum Clearance Committee finally came to the point where it could countenance matters no longer. On June 11, 1957, it recommended to the city that foreclosure action be started to repossess the site. By this time, Manhattantown's delinquent taxes and interest, plus the interest on its mortgage, totaled $620,000. The scandal that Moses and Wagner had kept denying for a year was there at last for everyone to see, confirmed in eight-column headlines.

Mayor Wagner tried to explain the inexplicable in a City Hall press conference. It was probably one of the sorriest performances of his political life. Gene Gleason was there, and Gleason wasn't letting the Mayor get away from the point. He kept pounding at the fact that we had been writing stories about the Manhattantown mess for eleven months; it had all been there in black and white for city officials to read, and they had done nothing except to deride the revelations. How did the Mayor explain that?

"We were misled," Mayor Wagner confessed, unhappily.

"You mean to say you were conned for five years?" Gleason asked.

"Well, if you want to put it that way—yes, I guess you could say we were conned for five years," the Mayor acknowledged.



PART 7 VARIATIONS ON TITLE 1

WHEN THE multi-million-dollar Manhattantown project collapsed with Mayor Wagner's unhappy "we were conned" admission, there was a brief flurry of official broom-sweeping. This achieved some curious results, but as the sequel was to show, it disturbed no fundamental realities. Robert Moses still ran the show. Projects still reeked of political influence. And in one startling case, an underworld taint crept into the act.

The new order that could not produce a new odor began with the blackest project of all, Manhattantown. The city was spared the costly business of foreclosure when the huge real-estate firm of Webb and Knapp expressed an interest in the debris-littered site and made a $1.3 million offer. The mechanics of these negotiations provided some food for thought.

By the time Manhattantown collapsed, Samuel Caspert had sold out his interest, and control was in the hands of Jack Ferman, the builder who had been president of the corporation from its inception, and Seymour Milstein, a wealthy businessman. Webb and Knapp now offered to buy the stock of Ferman and Milstein and to pay the city the $620,000 Manhattantown owed it.

What this meant, of course, was that the original developers, who hadn't developed, were to be allowed to profit from their non-performance. Federal Title I regulations are quite explicit that this should never be permitted; if a sponsor defaults, he is supposed to lose all, the project reverting to the city.

Something for Everyone

In the New York Title I operations of Robert Moses, such provisions had been consistently ignored. If a sponsor didn't perform, he merely cashed in his chips by selling to someone else, as Caspert had done earlier at Manhattantown (and as he was to do again in Brooklyn and other sponsors were to do on other projects). This was plain trafficking at the public's expense. Under such a system, a favored insider who got a project from Slum Clearance didn't have to perform. What he got, in effect, was carte blanche authority to speculate for his own profit, to make the best deal he could for himself in huge square-block chunks of city real estate that had been made available to him at knock-down prices by the taxpayers' millions.

The evils inherent in such a system were illustrated graphically by what happened next in Manhattantown. The original Webb and Knapp $1.3 million offer was approved by Moses' Slum Clearance Committee and recommended to the Board of Estimate for approval. Moses' committee deliberated in secret, of course, as it always does; its spokesmen argued, at the time, that it would not be ethical to disclose the Webb and Knapp arrangements until the Board of Estimate had had a chance to study them. The press wouldn't buy this and pried the details out of City Hall in advance of the board's action. Then it developed that Moses and his committee had approved a contract so larded with lush fees that even the hardened Board of Estimate blanched.

Webb and Knapp proposed to buy eighty-two shares of stock held by the Ferman family for $203,500 and fifty-four shares of Milstein stock for $168,250. The big realty firm also agreed to pay off $161,500 of Manhattantown notes held by Ferman and Milstein. In addition, Webb and Knapp agreed to hire Ferman, the man who had presided over the five-year Manhattantown dawdle, as a half-time consultant for five years at $30,000 a year—a total contract of $150,000, not bad for half-time pay! This Ferman fee was not, however, the only whopper. The contract

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also called for a $75,000 legal fee for Daniel J. Riesner, president of the National Republican Club. The Riesner fee was in addition to Democrat Sam Rosenman's healthy annual retainer, but obviously in slum clearance one needs a lot of lawyers and obviously such expert talent comes high.

So high did it come in this case, however, that it did not look quite right in the cold black and white of print. In the face of public outcry, the Board of Estimate gagged and refused to go along with Moses. Ferman's fee was eliminated, and Riesner's reward was cut in half, down to $37,500. With these changes, the Webb and Knapp offer was approved, and the huge realty concern took over the Manhattantown site.

Something to Explain

One other aspect of the final settlement should be noted. In addition to the sizable payments Ferman and Milstein received for their controlling stock, they were allowed to keep healthy holdings in the new Webb and Knapp Manhattantown subsidiary. Ferman retained 9 per cent of the stock in the new corporation, and the Milstein interests kept 23 per cent—a total 32 per cent stockholding that meant, in effect, simply this: the developers who hadn't developed would be entitled in the future to nearly one-third of the profits arising from the Webb and Knapp operation.

Mayor Wagner was pressed to explain all of this in City Hall press conferences. In one of these, he made a declaration that was to come back to haunt him. Ferman, he said, had been banned from doing further business with the city Bureau of Real Estate or sponsoring any more Title I projects. Furthermore, said the Mayor, anyone who had been connected with the old Manhattantown mess "will be out as sponsors of Title I projects and will be scrutinized in other matters, and I'm sure the Board of Estimate would agree they shouldn't have the responsibility." The Mayor shied from the term "blacklisted," but he made it clear that "they," the beneficiaries of the Manhattantown fiasco, would not be allowed to benefit in future.

It sounded good if you didn't think, but it seemed to reporters who did that the words, even as the Mayor uttered them, had a hollow ring. Weren't Ferman and Milstein going to benefit in the future? Asked how he squared this indubitable fact with his new ukase, Mayor Wagner showed a little irritation and answered a bit peevishly: "Well, I think Webb and Knapp was lucky to get that much interest (a 68 per cent stockholding) in it. They have control."

This didn't seem quite to answer the question. Nor did the Mayor have any better luck when he was asked to explain what Republican Riesner had done to collect a $37,500 legal fee when Democrat Rosenman was already getting paid better than $30,000 a year for his services. The Mayor confessed he didn't know. He confessed, too, that he had had a report from Charles H. Tenney, his Commissioner of Investigations, dealing with conditions in Manhattantown on his desk for more than a year—the year, incidentally, in which, despite our disclosures, the Mayor had kept insisting that everything was fine—but he didn't even know what the report said. He'd have to get the report out, he'd have to read it, he'd have to find out about Riesner. The explanations trailed off, and the answers never did become clear.

The City Awakens

If Manhattantown had been the only Title I slum clearance mess in the city, it would have been bad enough, but it was not. It was only the most glaring example of what was happening in many projects as Robert Moses, with typical vigor, barked down all opposition and swept ahead on his charted path to remake the face of New York. For a time after Webb & Knapp began developing Manhattantown, criticism quieted down; but as new projects were started, as tenants in new areas were bounced from their homes —and often located in worse slums at higher rentals—turmoil over the program broke out anew. There was a time (and it lasted for almost three years) when we were virtually the only writers in New York focusing a critical spotlight on the program. During this long period, we could practically guarantee that any critical article of ours in the afternoon would bring a featured, official denial in *The New York Times* in the morning. But in the spring of 1959 the widespread rumblings over Title I injustices became too much. Both *The New York Post* and *The New York Times* launched investigations; they came up with new disclosures; and the press of the city, awake at last, began to ask persistent and embarrassing questions.

One result was that civic groups finally took an interest. The Citizens Union sent Moses a series of questions. It wanted to know how projects were approved; it pointed out that the public hadn't even been permitted to know the names of stockholders in Title I corporations that were being aided by millions of dollars in public funds; it asked Moses to open his records. Moses replied that there was no secrecy about anything he did; the Slum Clearance Committee's records were an open book; any officials or any responsible group could see them at will. Reporters seized the opening to go through the Slum Clearance Committee's files, and some of the things that popped out made headlines for weeks. The ramifications were tremendous. In an effort to simplify an infinitely complex issue and to bring the intricacies of New York's colossal $1.5 billion slum clearance program into focus, we will try to give, in project-by-project detail, some of the significant and up-to-date-highlights of these disclosures.

The Coliseum

This is, in many ways, the most significant of all of Moses' Title I operations. It is a project that might be said to have been conceived by Moses, sponsored by Moses, approved by Moses—and it wound up in the end with some of Moses' principal aides set up in a fine, spanking new business home.

The Coliseum is New York's huge, new exhibition hall at Columbus Circle. Technically, such structures were not originally envisioned among the purposes of Title I. The act was supposed to clear slums and provide housing. But Moses has expanded the program in New York to provide college campuses, art and cul-

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tural centers and even, as in the case of the Coliseum, an exhibition hall. To qualify for Title I funds, a housing development was included in the Coliseum project. The contract for the housing portion of the site went to a firm that had been tarred already in an FHA windfall scandal, but neither Moses nor any watchdog in city government seemed very much disturbed by the idea that builders who had taken the government once in FHA windfalls should return to feed at the public trough again as the beneficiaries of Title I.

Other angles of the Coliseum project drew more attention. One point that attracted considerable notice was that the project was sponsored by the Triborough Bridge and Tunnel Authority — and that Robert Moses, who was head of the Slum Clearance Committee that rammed the project through despite some doubts in Washington, was also head of the sponsoring Authority.

The Autoist Pays the Bill

The fact caused some eyebrow-raising. It was recalled that, some years previously, Moses had tangled with the Port of New York Authority in a rivalry over who was to control New York's airports. Moses had suggested in his customary acid style that if the Port Authority "has so much capital, it begin by cutting its bridge and tunnel rates. . . ." Moses had lost that battle, and now he was doing precisely what he had criticized the Port Authority for doing; he was investing some of Triborough's hoarded millions in a huge exhibition hall without giving any thought to cutting Triborough's bridge and tunnel tolls, paid by the traveling public. When he was asked about this inconsistency, Moses simply shrugged his shoulders and said he had changed his mind.

The teapot tempest over Triborough and the Coliseum was enough, however, to make the state legislature consider for a time the enactment of a bill that would make the accounts of public authorities open to state audit. Moses fought the invasion of his Authority exchequer with an over-my-dead-body vehemence. In the end, as usual, he had his way. The state gave up the idea of prying into the private kingdoms run by the public-authority moguls, and the Coliseum was built. What happened next was curious.

When the land was condemned, one of New York's largest banking institutions had a branch on the site. When the Coliseum was completed, a different bank moved into the grand new edifice. The bank that got the prize plum was the Federation Bank and Trust Company. The president of Federation was and is Thomas J. Shanahan. Shanahan was and is the top fund-raiser for Tammany Hall, a close friend of Carmine De Sapio, and the vice chairman of Robert Moses' Slum Clearance Committee. On the board of directors of Federation is another top Moses aide — George E. Spargo, secretary and general manager at $40,000 a year of Moses' Triborough Authority and the personal assistant to Moses in Moses' capacity as chairman of the Slum Clearance Committee.

The net result was a vivid illustration of the tangible benefits that accrue from membership in the Moses empire. The empire, with its control of Triborough, sponsored and built the Coliseum; two key figures in the empire were powers in Slum Clearance and helped to make this possible — and then they established their own bank in the new quarters they had created. It was a dual relationship that seemed fraught with the danger, at least, of conflict-of-interest possibilities. The danger became more acute when Moses, in his reply to the Citizens Union, revealed that Shanahan had been entrusted with the sole authority to investigate the financial status and reliability of proposed Title I sponsors. Moses explained that this was really a great saving to the public because Shanahan used Federation's banking facilities for these investigations and he charged not a penny for the work.

This altruism began to look a little less altruistic when *The New York Post* revealed that Shanahan's bank actually had loaned money to a Title I sponsor whom Shanahan, in his role of Slum Clearance vice chairman and financial checker-upper, had cleared and approved for a project.

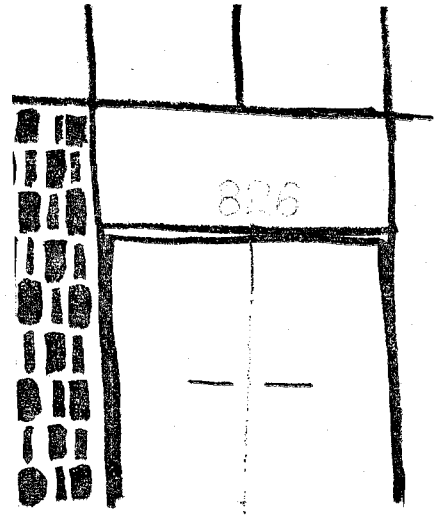
The particular project involved was one with a past almost as redolent as the past of Manhattantown. It was the housing portion of the Pratt Institute site in north-central Brooklyn. Samuel Caspert, despite the Manhattantown fiasco, originally had been awarded the project. He hadn't performed in Brooklyn any better than he had in Manhattan, and had sold out to another developer who, in turn, was supplanted subsequently by a third, the late Herbert Greenwald of Chicago.

Greenwald had deposited money in Shanahan's bank, had handled much of his banking business through Shanahan. In addition, in June of 1957, when he got his first commitment from the FHA for a $3,338,600 loan, he borrowed the money from Shanahan's bank. Since the FHA was guaranteeing the loan, this was prime, risk-free business for Shanahan and Federation. A second and larger loan was pending when Greenwald was killed in a plane crash.

Voices of Dissent

When these involvements were disclosed, Moses put his mimeograph machines on Randall's Island to work and came out with an angry, down-the-line defense of his vice chairman. Shanahan's role had been perfectly proper, he argued; there had been no conflict of interest; the money Shanahan's bank had made had been grossly exaggerated in the press; and anyway, if a man in official capacity couldn't run a legitimate private business, we'd soon have nobody but bums in government.

At this point, something unusual happened. The voice of Moses was



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no longer the voice of unanimity. Planning Commission Chairman James Felt, who is also on the Slum Clearance Committee and who is expected in many quarters to be New York's next Mayor, declared that Moses certainly wasn't talking for him. Not for me either, said J. Clarence Davies, director of the Department of Real Estate. Nor me, said Mayor Wagner at City Hall.

Shanahan had made a "mistake," the Mayor said, and would be told that his bank must never make such loans in the future. This was all right as far as it went, but it still left a lot of questions unanswered: How had Greenwald, a man from Chicago, known enough to go straight to Federation and do his banking with Shanahan? Had similar things happened in other cases? How many? How often? The Mayor kept telling reporters, as the days passed, that he was going to talk to Shanahan, he was going to look into everything; but whenever he was asked if he had talked to Shanahan, if he had gotten answers to any of the thronging questions, he kept saying not yet, but he would, he would.

The whole ruckus served to focus public attention for virtually the first time on Thomas J. Shanahan, a man whose political ties extend almost as far back as his banking ties. Shanahan got into political fund-raising in 1941, when he drummed up contributions for William O'Dwyer against LaGuardia. He raised much money for O'Dwyer's 1941 and 1945 campaigns. He helped Impellitteri in 1950, but after that he became the close friend and admirer of De Sapio, whom he regards as "the smartest politician in town." And so, in both 1954 and 1958, he had charge of raising the money for the campaigns of Mayor Wagner.

Between Two Empires

All of these connections — the political links, the banking ties, the vital role in Slum Clearance — make Shanahan one of the most powerful men in New York. His relationships are solid at the top where they count, and he seems to link in his person the mighty Moses multi-million-dollar public-authority empire and the political empire of Carmine De Sapio and Tammany Hall. When power is so concentrated, so tied together, there is always a danger that it will be misused, and so increasing attention has been paid to Shanahan's pivotal role in Title I.

One discovery seems to indicate that the Greenwald arrangement with Shanahan and Federation was not unique. Correspondence found in the Slum Clearance Committee's files revealed that Sidney J. Ungar, a lawyer and slum landlord who wanted to get a Title I development, had offered to deposit $700,000 in Shanahan's bank as evidence of good faith and financial responsibility. Ungar, himself well-connected with the Tammany machine as the campaign manager for Manhattan Borough President Hulan Jack, has disclaimed any intention of trying to influence Shanahan or the committee. He simply offered to deposit the money to cover essential costs if the project went through, he said, and actually no deposit was ever made.

Powerful Magnet

Other information seems to point in the same direction. Just as businesses seeking good relations at City Hall seem to gravitate to Sydney S. Baron (even though they don't have to), so builders seeking Title I contracts seem on occasion to gravitate to Shanahan's Federation Bank and Trust Company. One Title I sponsor told us flatly: "A part of my deal was that I had to do my banking at Shanahan's bank." Another builder, one of the most reputable in New York, said that he had been practically assured by the Slum Clearance Committee that he would get a certain project. At a public function one night, a man of high repute who has some political connections approached him, and in the course of conversation, asked if he did any banking with Shanahan. The builder said he didn't, and his friend suggested it might be a good idea. The builder didn't take the hint — and he didn't get the contract. Just a coincidence? The builder doesn't think so. "There is no doubt in my mind that we could have had the deal had we deposited in the Federation bank," he says.

One of the great unanswered questions that has come out of the Title I mess in New York is simply this: How did Thomas J. Shanahan come to approve as a Title I sponsor a man who had been linked to powerful underworld interests, and especially how did Shanahan come to give his approval after he had been informed specifically that there was, to quote his own words, "a delicate situation" involving the sponsor?

Mid-Harlem

The project was a proposed development in mid-Harlem, designed to include both housing and a new sports arena. Two groups contended for this plum, but the evidence seems clear that the idea was first broached by Charles Buchanan, former owner of the Savoy Ballroom in Harlem and husband of New York Assemblywoman Bessie Buchanan. One of Moses' justifications for designating a particular sponsor in advance of the event — those "tentative" Moses designations that invariably become positive — uses the rationale of fair play in this manner: a man who gets a good idea should be rewarded for his ingenuity by getting the project. In the mid-Harlem case, however, not even the husband of an Assemblywoman could win the nod of Slum Clearance for his own idea; instead, the vital "tentative" designation went to Louis I. Pokrass, a man who had been linked in Kefauver Committee testimony to such underworld powers as Frank Costello, Meyer Lansky and Joe Adonis.

Pokrass has vigorously denied any underworld taint in the piling up of his multi-million-dollar fortune. But Costello told the Kefauver Committee that Pokrass was his partner in a television-equipment company. Costello said Meyer Lansky had an interest in the same company, and Lansky later testified that Joe Adonis did, too. Even more explicit was the testimony of Virgil W. Peterson, director of the Chicago Crime Commission. He tied Pokrass in with Costello, Adonis, Bugsy Siegel, Longie Zwillman and others as members of "one of the most powerful [bootlegging] gangs operating in New York and the East Coast" during the Prohibition era of the early 30s.

When Pokrass decided to go after a Title I project in 1956, he got an eminent legal spokesman to represent him. The attorney was John J. Bennett, a former State Attorney Gen-

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eral, former Democratic candidate for governor and a former member of the Slum Clearance Committee. Meanwhile, Buchanan — the originator of the mid-Harlem project — wasn't even aware of what was going on. According to his story the idea for the project came to him after Moses had built the Coliseum; if Title I could be used for an exhibition hall, he reasoned, it could also be used to put up a sports palace. So, he says, he went personally to Moses, explained his brainstorm and received Moses' blessing upon it. Moses sent one of his aides with Buchanan to pick out the mid-Harlem area they would condemn; Moses recommended the architect whom Buchanan should consult; and Buchanan and the businessmen associated with him were given to understand that the only thing delaying their project was a temporary shortage of federal funds. "Then one morning we picked up the paper and found that Jack Bennett's group had our project," Buchanan says, describing the hour of disillusionment.

"Delicate Situation"

Buchanan protested; Moses' man Lebwohl said, oh, they hadn't known Buchanan was still interested, but maybe everything could be worked out, maybe both groups could get together in one nice, big, happy corporation. A meeting was scheduled with Shanahan to explore this possibility. At this meeting, the attorney for Buchanan's group, Irving Parker, took the Slum Clearance vice chairman aside and told him that, because of Pokrass' background, the Buchanan group wouldn't have anything to do with him. A personal memorandum from Shanahan, found in the Slum Clearance Committee's files, confirmed Buchanan's recollection on this point. Dated Feb. 24, 1957, the memorandum described Shanahan's meeting with the two groups at 3 P.M. that day. Its pertinent paragraph read: "In a conversation with the writer, Mr. Irving Parker stated that his group felt that they could not join with the Bennett group because of a delicate situation involving Mr. Irving Pokrass. . . ." (Pokrass' middle name is Irving, and he is often called Irving by his intimates.)

Despite this revealing memorandum, Shanahan and Moses both voted just a month later to reconfirm the tentative approval their committee had already given Pokrass.

When, two years later, the Pokrass case was dragged out into the light of day via newspaper headlines, there came the usual flurry of questions and explanations that did not explain. James Felt and other members of the Slum Clearance Committee said they had never seen the Shanahan memorandum. Lebwohl, who is Moses' counsel in Triborough and Moses' director of Slum Clearance, said he was sure nobody had known about Pokrass' past when the committee voted to cut Pokrass in on several million dollars of the taxpayers' money. Lebwohl couldn't say what Shanahan had in mind when he wrote about "a delicate situation," and Shanahan—although Mayor Wagner had said all Slum Clearance officials should answer questions by the press — simply was never available to the press to answer questions. Anyway, the Moses view was that the whole thing was another tempest in a teapot. The Pokrass designation had been only "tentative," the investigation of Pokrass had never been completed, and in addition the mid-Harlem project had been scuttled for lack of funds.

Mayor Wagner, under pressure from newsmen, was unhappy. He acknowledged that he didn't think a man like Pokrass should ever be given a Title I project involving the taxpayers' millions. He said he was "dissatisfied with the fact that any kind of a designation" was made to Pokrass "without a complete check into the sponsor's background."

Dun and Bradstreet "Secret"

This offiical hocus-pocus seemed designed to create the public impression that it was very difficult indeed to learn anything about Louis Pokrass. Actually, even if Shanahan hadn't been forewarned about "a delicate situation," any kind of rudimentary check on Louis Pokrass — even a five-minute telephone call — would have revealed exactly what was buried in Pokrass' background. Dun & Bradstreet, the credit agency a businessman usually calls first, had a complete run-down on the man. The report mentioned the Kefauver testimony involving him, as well as his own disclaimer. This was information that certainly should have been available at the turn of a telephone dial to Shanahan's Federation Bank and Trust Company and to Shanahan himself as vice chairman of the Slum Clearance Committee.

Mayor Wagner, after dawdling for weeks, finally announced in mid-August that he had accepted Moses' explanation of the affair. "We're sure everyone acted in good faith," he said. His explanation ignored the fact that Shanahan had written about "a delicate situation" and gave no hint of what Shanahan had in mind when using the phrase. "No investigation of Pokrass was made because no federal money was available for the project," the Mayor said. "I'm satisfied that on Pokrass there was no collusion and no wrongdoing. . . ."

Washington Square Village

The variations on the things that have gone wrong in the New York administration of Title I slum clearance under Robert Moses, the man who supposedly is the epitome of efficiency, are infinite and amazing. Often, it would seem, even the most elementary kind of horse sense would have prevented some of the mistakes and injustices perpetrated; but Robert Moses is not the man to listen to horse sense, particularly when it is not his own. One of the most graphic examples of what can happen to human beings when a dedicated lover of concrete like Moses begins to tear down everything in sight so that he can rebuild on a grander scale occurred in the Washington Square development.

The business area south of the historic square was the heart of the hat industry in New York. It was the home of about 1,000 small businesses. It wasn't especially pretty and many of the buildings were old; but it was a business section, a manufacturing area, not a residential zone. Only 132 families lived in the entire nine-block area on which Moses cast covetous, slum-clearance eyes. You can go almost anywhere in steaming, stinking East and West

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Harlem and find sweltering humanity crammed into miserable tenements — four, six and sometimes ten persons to a single room. Such areas, it would seem, literally cried for the administration of the Moses bulldozers.

But Moses turned his back on Harlem and decided to tear apart the business section south of Washington Square. Federal officials in Washington were patently startled. This was the first time in the nation that Title I had been applied to wiping out small businesses. Federal officials conceded that this wasn't the purpose of the Title I act at all. On the other hand, the act didn't specifically forbid it. The Washington Square businessmen carried their fight to Congress. Congressional hearings were held, testimony taken, and the investigating committee decided (shades of the transit-bugging investigation come to mind here) that it was a shame and a pity, it shouldn't happen — but it was legal. Moses had his way.

The project included New York University as a beneficiary of the taxpayers' largess. The university was to get a three-block strip along Washington Square to improve its facilities, but the larger section, a six-block area south of the Square, went to a private corporation known as Washington Square Village.

What can only be described as an outright perversion of the intent of Title I was involved in the condemnation of land for the university campus. On the southeast side of Washington Square stood a seventeen-story, well-kept and comfortable apartment house. It had been erected in 1930; it had spacious, high-ceilinged rooms; and its large, airy apartments, rent-controlled, rented at prices that could hardly be matched elsewhere in New York. Its tenants — public-relations men, accountants, editors, lawyers — considered themselves among the luckiest of the great city's residents until Moses came along with his blanket condemnation, decreeing that they would have to get out because their home was to be torn down as a slum.

Tenants' Reaction

The tenants of the Washington Square apartment house have money, intelligence and ability; and they fought bitterly against an action that, on its face, represented a monumental injustice in overcrowded, apartment-starved New York. But even people like these get nowhere when big power talks. As always, Moses had his way; the fine apartment building was condemned; the tenants were ordered to get out.

Typical of the reactions of the evicted were those of a man who was so steaming he couldn't mention Moses' name without cursing. "I've got to get out of New York," he told us. "The hell of it is, I don't want to move. I was born and brought up in New York. I love the city. I don't want to move out to the suburbs and have to commute every day, but I've got to. My apartment here cost me $176 a month, but do you know what we would have to pay to get anything anywhere near like it in the city today? The cheapest you can do it for is about $400 a month. I know. My wife and I have looked everywhere. We have a family, we have to have some room, and we just can't afford it here. So I'm buying a home up in Rye."

When New York, under the guise of slum clearance and the better life, drives from its borders dedicated New Yorkers like this, it would seem that the time has come to put an end to the decades-long cult of abject worship for the Great Doer. Even the mantle of Robert Moses cannot hide the fact that much that has been happening in New York can be justified by just one standard — it is good for the boys at the top, the boys who can make money out of it.

The kind of money involved was demonstrated exquisitely in the changing pattern of development in Washington Square Village. When the project was approved — at an estimated cost of $14 million to the federal taxpayers, $7 million to the city's — the developers were supposed to erect nine apartment houses, with rentals of $48 a room per month. Moses himself put out a glossy brochure; and he explained in person to the Mayor and the Board of Estimate just how fine this, one of his most controversial projects, was really going to be.

Let Them Have Penthouses

Once he had received the approval he wanted, what happened? Well, the sponsors who were getting the benefit of all those taxpayers' millions blithely changed their plans. Instead of nine apartment buildings, they decided to erect three. And the three were to be plushest of the plush — some seventeen stories high, modernistic, with colored tile faces and little balconies projecting in front of the fanciest apartments. Crowning all were penthouses — sixteen penthouses to a building, a total of forty-eight, renting at prices of $8,000 a year. One even rents now for $9,000.

Is this slum clearance? Is this the kind of housing taxpayers' millions should be spent for? The questions have been often asked, never answered. All that Moses' man Lebwohl, the Slum Clearance director, has to say about it is, well, it's up to the sponsor. After a sponsor gets a project, he can change his plans, he can do anything he wants, Lebwohl says. He doesn't have to live up to the promise of those $48-a-room rentals put out in the glossy brochure for public consumption. Lebwohl acknowledges, in essence, that such brochures are just a publicity gimmick; and he acknowledges, moreover, that he couldn't care less. "Our business is to get slums cleared," he says. "We have no control over the redeveloper after he acquires the land. . . . It was never intended that the new housing would accommodate site tenants."

A Moses maneuver that kicked up a climactic tempest was his demand

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that the city slash a 120-foot wide, mall-divided expressway through tiny Washington Square Park, the treasured oasis of Greenwich Villagers. Historic Washington Square Arch was in the way, but Moses agreed to save the arch by routing his expressway around it. When this assurance still didn't quiet the ire of the Villagers, Moses told them emphatically that they had no choice because the private sponsors of Washington Square Village "were formally, officially and reliably promised, under the Slum Clearance Act, a Fifth Avenue Address."

This Fifth Avenue address could be achieved by the 120-foot expressway Moses wanted. The expressway would link the south end of Fifth Avenue north of the Square with West Broadway on the south, and West Broadway would then become Fifth Avenue South, a distinguished address suited to the penthouse trade.

Battle of the Park

Greenwich Villagers, however, were incensed at the idea that their park should be sacrificed on the altar of private real-estate speculation, and they raised a public storm. Petitions of protest were circulated and signed. Municipal planning experts like Lewis Mumford joined the fight. Eminent public figures like Mrs. Eleanor Roosevelt voiced their opposition at a public hearing. The combined pressures finally brought Carmine De Sapio, a native Greenwich Villager, into the battle against Moses' expressway — and Moses lost.

Even with all the eminent figures ranged on the side of the Greenwich Villagers, the battle had been a near thing. While it ended in one of those rare victories the common man achieves today in New York, it had served to demonstrate the enormity of the powers arrayed against him. Inevitably, in the course of the battle, a persistent, oft-asked, never completely answered question rose once more: who holds the vital financial interests in the Washington Square Village corporation?

The two most prominent figures are Morton S. Wolf, owner of the apartment building to the north of the park at One Fifth Avenue, and Paul Tishman, a general contractor. Both men have high Tammany connections, and both, until quite recently at least, were honorary deputy commissioners, entitled to drive about town with special shields on their cars. Wolf especially has been known as a close Greenwich Village friend and associate of De Sapio, and in the last mayoralty campaign, De Sapio established his campaign headquarters in Wolf's One Fifth Avenue.

Wolf and Tishman represented the visible portion of the ownership of Washington Square Village, but for years the identity of their associates was a deep secret. Tishman, at one time in early 1958, flatly refused to name them. "We don't give out that information," he told us. The Slum Clearance Committee said at the same time that it had only old 1954 records and even they were incomplete. When such secrecy prevails, it is only logical to assume there must be a reason for it. Yet when the Slum Clearance Committee, prodded by the Citizens Union, opened its records this summer, the list of Washington Square stockholders didn't seem to reveal much. Most of the names on the list seemed innocuous enough, although some blocks of stock were listed in the name of brokers like Lehman Brothers, presumably for clients. And just who these clients are, no one knows.

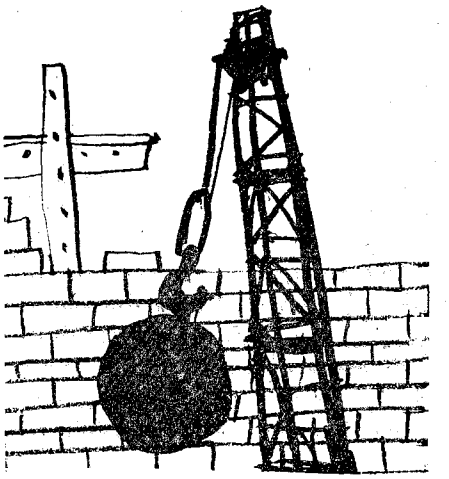
The persistence with which political ties shuttle through the Title I mess has led some to suspect that Carmine De Sapio himself must have an interest in what goes on. But De Sapio told us in as categorical a denial as you can get: "I have never directly or indirectly in any shape, manner or form had anything whatsoever to do with any Title I project at any time." Even as De Sapio was making this statement in early summer, one of the burning issues in New York involved another Title I deal that had been tracked into the legal lair of one of the mightiest personalities in the Tammany over which he presides.

Soundview

The case involved the proposed Soundview project in the South Bronx. Once again, as in Washington Square, the area was no slum; and once again, as in Washington Square, it is more suited than the noisome slums of Harlem for real-estate speculation. The Soundview tract consisted of ninety-two acres, with frontage on Clason Point, where the Bronx and East rivers merge. This premium, water-front site now houses the neat, well-tended bungalows of 254 families. The homes are on leased land, and state rent-control restrictions have prevented the owners from evicting the bungalow tenants. They could be evicted, however, by Title I condemnation, and if they were, the water-front land would have enormous potential value.

Moses' Slum Clearance Committee had a project scheduled for the site when Representative Paul A. Fino, a Bronx Republican, lashed out at the scheme in Washington, declaring that Soundview had "not only the odor, but also the smell of a windfall." The land, Fino declared, was registered in the name of a dummy owner; it had been bought for $500,000 and marked up to $1 million for the purpose of Title I disposal; and this, the Congressman charged, constituted a $500,000 windfall from which important "political insiders" in New York would benefit.

Tracking down deeds, we found that the bulk of the Soundview land was registered in the name of Miss Helen Nugent, an employee in the law office of Monroe Goldwater. Goldwater had been the law partner of the late Ed Flynn, all-powerful Democratic boss in the Bronx, and he has remained one of the potent figures in De Sapio-ruled Tammany.



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He had served as the campaign manager for Mayor Wagner, and in August, 1958, had presided over the controversial Democratic State Convention in Buffalo at which De Sapio rammed through his own state ticket in an exhibition of bossism that opened wide the portals of the Albany State House to Nelson A. Rockefeller.

Not only was Monroe Goldwater politically connected, he was also Title I-connected. He had been attorney for Morton Wolf in the penthouse development of Washington Square. His son, Richard M. Goldwater, an associate in his office, represented the sponsor of one Title I project and was counsel for two other groups trying to get Title I sites.

Against this background, Monroe Goldwater explained his relationship with Soundview. He declared emphatically that he had "no financial interest in the property, never have had and never expect to have." He had been paid some $3,500 for his legal services, he said, and he might get more in the future — perhaps $7,500 or $10,000 or $12,000, something like that — when the Soundview property was finally sold. He insisted there were "no secrets" about the project and absolutely no political influence involved. He identified the real owners of the property as a group of lawyers, real-estate investors and businessmen, and the "dummy" registration of the land in the name of his office helper had been resorted to simply as a convenience. Such "dummy" registrations, he pointed out, were a common device.

Mayor Wagner at City Hall called Fino's charges ridiculous. Monroe Goldwater, his former campaign manager, is a fine man, the Mayor said, and it simply wasn't true that any "political insiders" were going to make a windfall out of Soundview. In fact, the Mayor authorized a deputy to tell the press, the Soundview project was as good as dead. It had been up before the Board of Estimate, and the board hadn't liked the looks of that $500,000 markup in land value. The Mayor was positive that the board wouldn't think any better of it now.

Taking the Mayor at his word, residents in the bungalow colony danced in the streets that night — a celebration that, as the sequel was to show, was decidedly premature. For, though Mayor Wagner had begun to announce, in his City Hall press conferences, that "I am the Mayor," there is now rather abundant evidence that the statement isn't to be taken as literally as the late Frank Hague's "I am the law." The project may have been dead in the mind of Robert (I am the Mayor) Wagner, but it definitely wasn't dead in the mind of Robert (the Great Doer) Moses. A few weeks after the Mayor had announced Soundview's demise, Moses gave out a list of eight projects for which he wanted the City Planning Commission to put up $10 million for advanced planning. The list included Soundview. Moses was questioned at once: Wasn't Soundview, on the Mayor's own admission, supposed to be dead? The reply: "You can bet your life it's alive."

N.Y.U.-Bellevue

One of the mysteries of slum clearance in New York is the comparative ease with which sponsors with no large construction firms behind them have been able to get projects that are denied to reputable builders. Samuel Caspert, for example, had no trouble getting two large projects from which he reaped the rents and then decamped. In the New York University-Bellevue project, an inconspicuous mystery man named David Moss came out of nowhere to get what reputable builders couldn't get—a Slum Clearance Committee blessing.

While the press never could locate David Moss to talk to, it was learned that he had been a timekeeper and, for some twenty years, an ordinary hired hand for an old-line firm known as Industrial Engineering Company. He listed himself as a vice president of the engineering company when he set out to get a Title I project. Indicative of the fact that his own resources were perhaps a little skimpy, he rounded up a group of ninety-three stockholders to form his sponsoring firm, University Center, Inc. Among these stockholders, incidentally, was Walter J. Schneider, the personal accountant for Sydney S. Baron.

Slum Clearance Committee records show that Moss's group was "tentatively" selected as the sponsor for the East Side project (the area lies between 30th and 33rd Streets and First and Second Avenues in Manhattan) sometime in March, 1953. The manner in which the "tentative" designation became final appears to be of some significance.

The Slum Clearance Committee called for public bids on Dec. 7. It gave bidders just seven days to act. This time limitation was tantamount to a freeze-out. "Who could possibly come up with a bid on a multi-million-dollar project in seven days?" one builder asked. Nevertheless, one highly reputable New York contractor attempted it. He was James H. Scheuer, head of City and Suburban Homes, Inc., and he offered $8.05 a foot for the tract—a bid that figured out to $411,000 more over-all than the $7.05 a foot the Moss group was offering. But the Slum Clearance Committee turned down Scheuer and accepted Moss because, it said, Scheuer had been twenty-four hours late getting his bid in.

Needed: a Builder

Even more startling than this bald and rather cavalier rejection of the higher bidder was the manner in which the Moss bid had been filed. The bid was submitted on a short typewritten page of paper—and the bid price hadn't even been typed in. Instead, a blank space had been left, and the bid had been filled in subsequently in ink. Just when this inking-in was done, nobody seems to know now. Even a Slum Clearance Committee spokesman admitted that this was "strange" and that the Moss bid, quite probably, was the only one that had ever been received in that way.

Just as strange as the mechanics of the bidding was what happened next. Moss didn't get right to work to develop his project. Instead, as several contractors have told us, he ran around town trying to peddle it to a builder who could build. Ironically, within some twenty-four hours after Moss got the project, it was offered to James H. Scheuer, the man

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who hadn't been able to do business with the Slum Clearance Committee.

In the end, it took Moss and his associates nearly three years to negotiate a deal. In the meantime, the process that had worked out so well for Caspert at Manhattantown and at the Pratt Institute project in Brooklyn was repeated as rentals from the condemned N.Y.U.-Bellevue site poured into the coffers of University Center, Inc. The rents flowed so well that Moss and his cronies devoted themselves to the pleasurable task of carving up some $2 million in receipts. At least five federal audits on file in New York and Washington show just how and to what extent they benefited:

¶The attorney for the Moss group, David Haimes, invested $1,250 in University Center and drew out $35,-021 in legal fees.

¶Schneider and his partner at the time, Solomon Klausner, were engaged by their own corporation to do an "independent" audit of their own firm's books—and were paid $43,000.

¶The sponsors paid themselves $38,000 in salaries.

¶The sponsors formed their own wholly owned subsidiary, Unibell Realty Corp., and paid it $109,000 in management fees to manage their own site.

¶The sponsors placed $94,000 worth of insurance with one of their own and parceled out among themselves large chunks of money for coal, fuel oil, plumbing and maintenance work.

Federal auditors questioned the justice of many of these charges, but none of the money ever was recovered.

Free Ride — With Profit

And in the end Moss and his fellow investors, having enjoyed a free ride that lasted for nearly three long years, got out with their original money back, plus interest. Webb & Knapp took over the scandal-scarred project and renamed it Kips Bay. How much the long, free ride was worth to the original investors may be gleaned from the fact that federal auditors refused to allow as legitimate expenses the impressive sum of $593,180.46.

Such is the scandal-tainted history of Title I in New York. This account, detailed as it is in some respects, touches only on some high spots. Beyond its scope lie broad and vital areas that have not been probed and cannot be probed unless some investigator like the late Samuel Seabury comes into New York with the will to do a job. Certainly, no such investigator animated by any such desire appears at the present time on the local horizon.

What we have discussed here is only the visible surface of the iceberg. What lies beneath is still concealed from newspapermen who, after all, have no powers of subpoena and investigation. Yet one cannot poke even casually into the Title I morass in New York without uncovering trails that some investigator, somewhere, should be interested in. Here are our suggestions for trails worth following:

Promising Paths

1. Double-bookkeeping. Employees of official agencies in intimate contact with tenement conditions say that, figured ultra-conservatively, a slum area should return a net profit of 20 per cent a year on its true value. Slums are among the most profitable real-estate investments in the world; a 40 per cent return is not unheard of; and in Title I, developers were permitted to abandon virtually all normal maintenance and upkeep while still collecting the same old rents. Even so, leaning over backwards to be conservative, a 20 per cent net profit annually would mean that a slum area valued at $5 million should yield its rent-collectors $1 million in clear revenue. Since no official agency has any check on basic receipts, but merely accepts a firm's own accounts as presented for audit, such an analysis would suggest the possibility of double-bookkeeping and a take for insiders far more astronomical than has sometimes appeared on the record. City housing experts agree that a 20 per cent annual profit is a most conservative estimate and that double-bookkeeping would be "almost standard operating procedure."

2. Hidden partnerships. One builder who has seen Title I from the inside declares flatly that prominent political figures in New York have held secret interests in some projects. So, too, he insists, have some of Moses' own subordinates. "In each one of these projects, all the stock is cut up," he said. "Each one has his piece. Remember, the clear take on these projects will run to an absolute minimum of $250,000 a year, so there's enough to go around. If the stock could ever be traced, it would open everyone's eyes."

3. Under-the-table pay-offs. Tenants sometimes charge that bribes were accepted to let them stay on for a few months longer in buildings from which they were supposed to be evicted. Even more grave are the rumbles that emanate from the contracting world about the sums demanded, sometimes in the guise of "legitimate" fees, to guarantee an eager sponsor the project that he wants.

Perhaps one would discount these possibilities if so much had not already appeared above the surface, if New York officialdom had not given the definite impression that it is either afraid or does not want to look into what has been happening.

The Mayor's "Formula"

Even in the aftermath of this summer's succession of disclosures, the official approach to a Title I cleanup has been the approach of the lame and the halt. Mayor Wagner kept insisting "I am the Mayor" and kept saying he would straighten everything out. But days and weeks went by—so many days and so many weeks that the refrain became monotonous and no longer news—and the Mayor still hadn't gone to the mat with Moses or with Shanahan. Finally, what was labeled as a showdown session was scheduled before the Board of Estimate in City Hall. Moses and Shanahan went in glowering and glum, refusing to talk to reporters; they came out happy as two kids with lollipops, smiling and joking and posing for their pictures.

Mr. (I am the Mayor) Wagner had laid down some rules, he told the press. He was going to see to it that the Slum Clearance Committee was less of a Triborough Authority operation; henceforth it would have a paid staff, working full time for it alone, he said. This seemed to indicate that Slum Clearance Director

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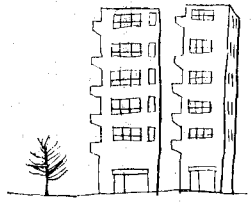
Lebwohl, Triborough's counsel, and Moses' special assistant, Spargo, Triborough's director, would have to go. Moses snorted and said they'd stay. They stayed.

The Wagner formula for straightening things out boiled down to the appointment of a personal watchdog to sit in on Slum Clearance Committee sessions and the naming of three new members to the committee. The re-formed group gathered for its first meeting—and deliberated behind closed doors. Even the Mayor's personal watchdog was kept cooling his heels outside the conference chamber. Lebwohl himself chased reporters away from the room adjacent to the room in which the meeting was being held; he said bluntly that the committee had no intention of putting up with reporters at its deliberation. The result: the re-formed committee, at its first meeting, designated as the sponsor for a Title I project a builder who previously had had to refund more than $700,000 to the federal government in an FHA windfall scandal—a builder, incidentally, who is represented by Sydney S. Baron.

Who Will Investigate?

To many New York civic groups, this did not seem like progress. Many responsible organizations charged that Mayor Wagner's handling of the situation constituted a virtual whitewash. Demands were heard that Moses should be fired. The Citizens Union called for a full-scale Congressional investigation. Despite the impressive critical chorus, the prospects for any top-to-bottom housecleaning appear slim. For who is going to investigate? Will Congress, controlled by Democrats, invade Tammany-dominated New York? Will the New York State Republicans? After all, Governor Rockefeller on two occasions recently praised Moses in the highest terms and hailed him as an exemplary public servant. And, after all, as our former Republican watchdog friend commented three years ago, "some of our own boys are in it."

Yet the reek of scandal continues to seep out of Title I slum-clearance operations in New York. It has already polluted the air for years. Some veteran reporters conclude that the full truth, could it ever be known, might make this the greatest scandal in New York's scandal-studded history.



PART 8

WHAT'S $2 MILLION, ANYWAY?

IN NEW YORK CITY, one scandal leads to another. We were knee-deep in the jungle of Title I when some of the disclosures we were making inspired one of the lowly hired hands in the city's $2 billion bureaucracy to get in touch with us. This was in the summer of 1957, and our informant, calling from a pay telephone booth, said that a lot of things were happening in the city's Bureau of Real Estate that he thought we should know about. He didn't want to come near our newspaper office; he didn't want even to use his right name in talking to us; he didn't want anybody to see him meeting us. We got around these limitations on communication by arranging a rendezvous well outside the likely eye-range of any member of City Hall's officialdom.

Several times during the next few months, our new informant telephoned us, met us, fed us tidbits of information. None of his contributions was very startling, but in early March, 1958, the pattern abruptly changed. Our new contact delivered a tip that popped the lid off a scandal involving so much money that, even yet, many of its ramifications remain a mystery.

What our secret source told us was that a major money-scandal was breaking in the badly tainted Bureau of Real Estate, and so far no word of it had leaked out to the public. Seymour Wilson, the chief accountant of the bureau, had been looting the till, siphoning off money from special petty cash accounts that were under his sole jurisdiction. The loss, our friend estimated, would amount to about $100,000. It was already being probed by Investigations Commissioner Charles H. Tenney, and District Attorney Hogan had been notified. On March 4, Wilson had resigned, giving "ill health" as a reason, and since that time, he had disappeared. No one, presumably, knew where he was.

Forearmed, we sought an audience with the director of the Bureau of Real Estate, Percy Gale, Jr., one of the most debonair and interesting figures in the city's political life. His trademark was a boutonniere; he was known as a genial man who made a good golfing companion; and his rise to prominence had been aided by a twist on the time-tested formula of marrying the boss's daughter: he had married the boss's secretary.

The boss in this case was Carmine De Sapio, and the secretary was Julia McArdle. She had been the office helper of Ed Flynn when he was Democratic national committeeman, and after De Sapio took over, she became an indispensable fixture in the operating mechanics of Tammany Hall. Political insiders credit Mrs. Gale with expert knowledge of the ins and outs of politics. Efficient, with long know-how in the political wilds, she is believed to possess far more influence around Democratic headquarters in the Hotel Biltmore than is customary even for a much-trusted secretary.

Key City Job

When her husband was appointed head of the Bureau of Real Estate on May 27, 1954, her boss, Carmine De Sapio, made it clear that Gale had been his personal choice for the post. Most of Gale's adult working life had been spent with the federal government's Reconstruction Finance Corp. He went to work for the

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RFC in 1934, became manager of the New York City loan office in 1947, and resigned in 1951 to spend the next three years as vice president of a realty firm. From this spot, he catapulted with De Sapio's blessing into the boss-man's chair in the vitally situated city agency that controls millions of dollars worth of tax-sale and water-front lands, and administers millions of dollars worth of city properties.

Even before our informant had tipped us to money shortages in the bureau, there had been indications that all might not be too well. One of the strongest hints had come in late December, when State Attorney General Louis J. Lefkowitz pounced upon the books of the Nassau Management Company and forced it to stop selling stock to the public. Nassau Management collapsed into bankruptcy—a potential $5 million disaster for innocent investors who had put large chunks of their life-savings into the much-ballyhooed and impressively sponsored syndication.

How to Make Miracles

The story of Nassau is typical of present-day New York. Three City Housing Authority employees, workers in the municipal vineyard at salaries of $8,000 to $10,000 annually, had set up the company with shoestring capital. Almost immediately, Nassau Management became a favorite of the Bureau of Real Estate. For a time, all relocations of tenants being evicted from project sites in the city were divided between Nassau and just one other firm; Nassau had a complete monopoly on all relocation work in Manhattan. It collected some $2.25 million from the Bureau of Real Estate for its services. By stock sales to the public and various financing devices, it launched into a multi-million-dollar motel-building scheme in Washington and bought the Concourse Plaza Hotel in the Bronx. Yet, according to Attorney General Lefkowitz, Nassau "was insolvent from the day it was formed"; it was, in fact, a fraudulent, fly-by-night outfit when it signed its first contract with the city in 1953.

Once again one asks the question to which no investigator in New York seems eager to supply the answer: How are such miracles worked?

Well, our own study of Nassau's legerdemain showed that it snuggled up to a lot of prominent officials and used a number of influential names in its promotion. On one glossy brochure it flaunted five endorsements of its virtues, including those of William S. Lebwohl, Moses' director of Slum Clearance, and Samuel Brooks, Lebwohl's assistant. Lebwohl himself held $10,000 worth of Nassau stock, and his brother had an additional $5,000 stock interest.

Nassau certainly lived with the right people. It picked up the tab for $50-a-plate Tammany dinners at which it corraled at its table such men as Lebwohl and Benjamin Cymrot (later suspended as executive officer of the Bureau of Real Estate). Nassau's promoters were so highly regarded in political circles, in fact, that, on the day after Attorney General Lefkowitz closed down the operation, the firm's president, Milton Saslow, was invited by the Democratic State Committee to serve as vice chairman of the annual party dinner in the Waldorf-Astoria Hotel.

Some of these tie-ins between Nassau and the Bureau of Real Estate had become obvious when we set out to interview Percy Gale. Salvatore Campanella, Gale's secretary and a man who bragged that he was close to Carmine De Sapio, tried to bar the door, demanding to know what we wanted of his boss. We finally bulldozed our way past him and into the presence of the man with the boutonniere.

Confronted with specific details about the Seymour Wilson shortages, Gale admitted that investigators had "taken certain records" from his office, but he insisted that he knew "absolutely nothing about what their efforts involve." Badgered still further, he acknowledged that Seymour Wilson had resigned, citing ill health as a reason, and then he added (significantly, it seemed to us), "We can't find him."

We took this as adequate confirmation of our story, and a few hours later we broke it. Mayor Wagner admitted that it was true. He said city accountants had found a shortage of $49,000 in two accounts administered by Wilson; money paid into the bureau had been taken by Wilson and deposited in a joint account of his wife and himself. This had been going on for two years. In some of these transactions, the Mayor said, forgery was involved, and because it was, the city expected to get its money back by suing the banks.

Opening the Lid Wider

While the peculations of the chief accountant made a sensational headline, the story would have been little more than a one-day wonder if it hadn't served to lift the lid on a vast pot of corruption—on chicaneries that had gone on for years and that had cost the taxpayers of New York, quite literally, millions of dollars.

Within twenty-four hours after the Wilson scandal broke, Mayor Wagner acknowledged that much more than the light-fingered activity of one accountant was involved. He said there were indications of relocation frauds in which payments had been made to move tenants not even living in the areas being vacated; there were land-fill pay-offs in which bureau personnel had been bribed to permit unauthorized dumping on city land; and excessive rentals apparently had been paid to favored real-estate concerns for buildings leased by the city.

Hardly were these admissions on the record when the split personality of the Wagner administration became evident. Its energies were turned to the task of minimizing a scandal of obvious magnitude. The pitch was simple. Some things hadn't been handled quite right, it was true; but then perfection is humanly unattainable and all errors would be corrected promptly. The Mayor announced that Gale would be given a $12,000-a-year deputy to help "straighten things out"; but, in almost the same breath, he denied that the appointment of a deputy was any reflection on Gale's abilities or that it marked any diminution of his powers. "We felt it would be good to get a man in there," the Mayor said. But he insisted: "I think Percy Gale is a good public servant."

We have learned since that on the very day the Mayor was handing Gale this accolade, the decision had been taken at a City Hall strategy

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conference that Gale must go. A source on the inside of these arrangements declares that Carmine De Sapio was consulted, agreed with the decision, but asked: "Give me a couple of days to make some arrangements."

De Sapio, of course, got his couple of days, and in this waiting period, both the magnitude of the scandal and the split personality of the Wagner administration became even more evident. Reporters at City Hall were tipped off that Investigations Commissioner Tenney's agents had found the bureau so graft-riddled that the losses to the taxpayers would run into hundreds of thousands of dollars. William Peer, Mayor Wagner's secretary, was asked about this, checked the tip personally with Tenney, paled at what he was told, then turned to reporters and said: "Gee, you got good information." Yet hardly were the headlines with this "good information" on the street before the Mayor's office was denying it. It absolutely was not true, the office said, that there was any scandal running into hundreds of thousands of dollars in the Bureau of Real Estate.

Gale Blows Out

Things now moved swiftly; indeed, this became one of the fastest-paced news weeks in the city's recent history. Seymour Wilson, missing on Monday, was located late Wednesday at a sanitarium in the Bronx. Arrested, charged with grand larceny, he was brought to the district attorney's office, protesting that he thought he had stolen only some $7,000. Prosecuting officials said at the outset that it was going to be difficult to find out just how much could really be pinned on Wilson because he had destroyed essential checks and records.

The Wilson arrest made Thursday's headlines, and on Friday, Percy Gale, Jr., who had been "a good public servant" to Mayor Wagner only three days before, suddenly resigned his $17,500-a-year post. We first learned that something was brewing in early morning when we got a breathless telephone call telling us that Gale had shown up at his office at an unprecedented hour, that he was cleaning out his desk and that he was sending his chauffeur away laden with voluminous correspondence. By the time we got to Gale's office, the chauffeur was gone, and Gale was sitting calmly behind his desk, jaunty and boutonniered as usual. He appeared surprised at our surprise to find him on the job so early. He was just hard at work as usual, he assured us. Documents? Absolutely not. He positively had not sent any papers out of the office. He didn't know where we had heard that, but it was perfectly ridiculous.

Barely two hours later, his resignation was announced at City Hall, and at the same time it was disclosed that James Felt (shades of the Wagner build-up come to mind here) was being brought in as a temporary trouble-shooter to straighten out the tangled affairs of the bureau.

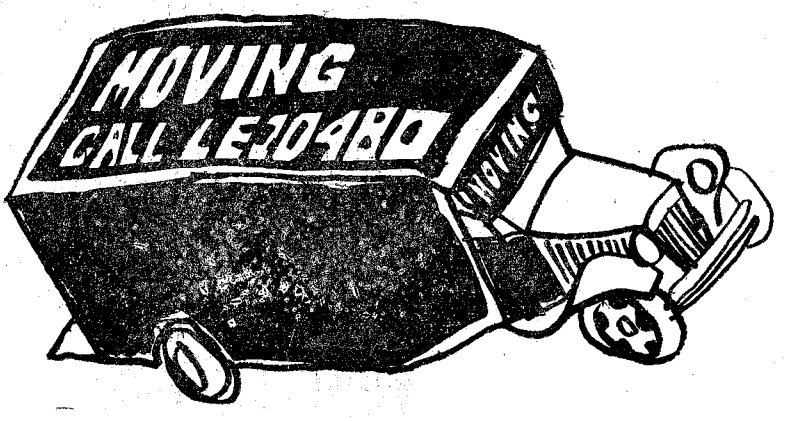
Gale's bland denial that he had sent any documents out of his office the day he quit became more curious when Jack Glass, his chauffeur, was questioned subsequently by aides of Attorney General Lefkowitz. For Glass admitted that he had taken a large folder of papers from Gale's office to the uptown law office of Monroe Goldwater. Gale, questioned about this, said Goldwater was his personal attorney. The papers he *had* sent out of his office were just personal papers.

The Wagner administration now began an out-in-the-open battle to whitewash itself. On Monday, May 5, 1958, Mayor Wagner, putting himself explicitly and irretrievably on the record, declared in a public speech that "only one instance of culpable guilt" (Seymour Wilson) had been uncovered and that "the amount, although highly advertised as running into six figures, was actually rather small." The Mayor made this statement despite the fact that we had disclosed, weeks previously, that for nearly two years he had had on his desk critical reports from his Comptroller's office and the Investigations Commissioner exposing the seriousness of the situation in the bureau. We had tried to get these reports made public. The Mayor had ducked. He had said the Board of Estimate would have to decide; and finally, his office had said that the board—on a day when it hadn't met at all—had decided the secret should be kept from the public.

Padding the Bills

The ridiculousness of the situation finally became too much for Comptroller Lawrence E. Gerosa. Defying the Mayor and the Board of Estimate, Gerosa announced that he was going to make his long-smothered report public. The report proved beyond doubt that the Mayor had been fantastically inaccurate, to say the least, when he had described the Bureau of Real Estate mess as a "rather small" scandal.

Gerosa emphasized that the accounts of the Bureau of Real Estate were a law unto themselves, not subject to regular check by his office. But in 1956, on his own authority, he had run a spot check on just one of the lesser accounts of the bureau, involving maintenance work done by private firms; and he had found that bills were being so consistently and outrageously padded that on this account alone, the bureau—and the city taxpayers who had to foot the bill—had been gypped to the tune of $200,000 a year. Gerosa's auditors had knocked down the padded bills and recovered this amount for the one year covered by their audit; but



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the significant point was that this kind of looting had been going on for years and that, despite Gerosa's audit, nothing had been done to stop it.

The brazenness of the bill-padding and looting had been fantastic. Take, for example, the case of "old 4167." This was the way auditors referred to vouchers submitted by one maintenance and repair firm employed by some of the management companies handling city property. Every time this firm shut off gas and electricity on an apartment from which a tenant was being evicted, it submitted the same bill—$41.67. Other firms usually charged $12 or $15 for such cut-offs, but this one particular outfit had its one inflexible figure, and if there were ten cut-offs to be made in one apartment building on the same day, the city was stuck with a tab for $416.70.

Another contractor with high connections in Tammany received five orders to demolish foundation walls. He let out the work to a subcontractor, who billed him $875 for actually doing the job. Then the Tammany-connected businessman, who had done nothing except shuffle papers, billed the city $2,133.35 for $875 worth of work—and was paid.

Still another contractor repaired a chimney. Gerosa's auditors found that he had charged $408.73 for a $58.93 job.

These are just random examples of the overcharging—overcharging that sometimes ran nearly ten times the proper price—that had gone on constantly in accounts running into millions of dollars. This was municipal thievery on a colossal scale.

"They are the worst abuses uncovered in city government in fifty years," one of Gerosa's aides said at the time. Gerosa's auditors estimated that the taxpayers' pocketbooks had been looted to the tune of at least $2 million.

Public Incredulity

The public received the estimate with the incredulity with which it sometimes reacts to a sensational headline. The average man has difficulty envisioning what a pile $2 million actually is, and he finds it hard to grasp the intricacies of high-level corporate swindling. The skepticism was strengthened when that nice fellow, the Mayor, promptly scoffed at the whole idea. On May 9, 1958—just twenty-four hours after we had headlined Gerosa's estimate of a $2 million swindle—Mayor Wagner ridiculed the charge: "At this time, I don't believe it is a major scandal," he said.

He made this assertion despite the fact that he had in his possession a one-month-old report from his own Investigations Commissioner which charged, in effect, that the looting was an "inside" job, organized and directed from within the bureau—and not merely trickery by a few dishonest contractors.

Investigations Commissioner Tenney's report has not been officially released to this day, but we managed to get a copy. Tenney had studied the accounts for the $1,094,019 the Bureau of Real Estate had paid out in 1957 to management companies for repairs and maintenance work on city property. He found that bills had been consistently padded from 33 to 50 per cent. This much supported the earlier Gerosa findings, but Tenney went farther. The great bulk of the work being done for the city, Tenney reported, had been parceled out by the bureau to a select group of six favored contractors. Management companies reported that they had had no choice in selecting contractors; they knew that the city was being gypped regularly as much as 50 per cent on every bit of work done, but they had received their orders from the bureau—they had been told which contractors to hire!

Salvatore Campanella, Gale's secretary, who had resigned after his boss departed, testified before Tenney that he regularly telephoned the management companies and gave them the names of the contractors they were to use. "It was not my own initiative to call anybody to tell them who to use and who not to use," he said. He insisted that he had acted always on the direct orders of the former directors of the bureau, William M. Ellard and Percy Gale, Jr. Ellard promptly denied and ridiculed the charge, but Gale was silent—and nowhere to be found.

Tenney's report cited the testimony of Andrew J. Kennedy, a Bronx real-estate man who had died under mysterious circumstances in a midtown hotel during the scandal. Before his death, Kennedy had testified that he felt helpless to use any contractors except those on the bureau's favored list. He approved their padded bills, he said, because he felt helpless to do anything else; because, quite simply, this was the system and this the way it worked.

Gag By Terror

His testimony was supported by his own employees and by the testimony of other management agents and their employees. They disclosed that sometimes the favored contractors did work that had never been ordered, barging into a building on their own initiative, tinkering with this and that, and submitting a grossly inflated bill for their unrequested services. Whether the work was needed or not, they always got paid.

Our disclosure of the details of this hushed-up Tenney report marked the virtual death of the Bureau of Real Estate scandal. A city administration whose Mayor was denying in public statements the one inescapable conclusion to be drawn from the reports on his desk—that he had on his hands a major scandal running into millions of dollars—now went all-out in an effort to clamp down the lid and prevent further damaging disclosures. Efforts had been made previously to prevent the leakage of information, but now the heat was really on. City officials with whom we had been able to talk previously flew into rages at the sight of us—and later let us know, privately, that they had had to put on an act either because spies had been planted at their elbows or because they felt their offices were bugged, their telephones tapped. The reporting half of this team sometimes found strange men trailing after him when he made his rounds of the municipal offices; and the little guys in the scandal-packed bureau—the men who had fed us with tips—asked us never to try to get in touch with them again, even at their homes at midnight. They all felt that their phones were tapped, that they were being watched.

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One assumes that such widespread fear had some justification for its existence. It seems unlikely that so many different persons would have simultaneously felt terrorized by non-existent pressures. One thing is certain: the one Tenney report we managed to get and publish (there were several others that have not yet seen the light of day) was the last item of significance regarding the Bureau of Real Estate scandal to reach the public. After that one damning report got out, the municipal Iron Curtain went up, and we confess we could not dent it.

The whole issue now vanished into the office of District Attorney Frank S. Hogan and into the impenetrable fog of grand jury secrecy. Tenney's reports were forwarded to Hogan; so were those of Attorney General Lefkowitz. The grand jury listened to testimony spaced out over many months. Today, eighteen months later, the grand jury is still in session, and not much really has come out of it in the interval.

Seymour Wilson, of course, was indicted. The chief accountant whose peculations had touched off the scandal was accused of stealing slightly more than $30,000, though the city's loss indubitably was $49,000. Almost immediately after the indictment, Wilson calmly walked into General Sessions Court before Judge Charles Marks and pleaded guilty. Here was certainly a key figure in the probe. Here was a man who undoubtedly, in his position as chief accountant, knew specific details about the money swindles that went on inside the bureau. Such a man, if he could be induced to turn state's evidence, would be invaluable to the prosecution. But the tenor of the proceedings indicated right from the start that Wilson wasn't being subjected to any great pressure to tell his story. Never has an admitted municipal thief been treated with much greater courtesy.

Series of Postponements

On July 22, 1958, when Wilson appeared before Judge Marks, two unidentified men in the courtroom stepped up before the bench and held a long whispered conference with the judge. Judge Marks then deferred sentence for three months because, he said, there was a possibility of restitution. Curious to find out who the strangers were, the reporting half of this team approached them outside of court and was surprised when they flatly refused to identify themselves. Later it developed the pair were a couple of the city's assistant corporation counsels whose efforts, in effect, had won a three-month stay of sentence for the man the city was supposed to be prosecuting.

On Oct. 16, the new sentencing date, Judge Marks postponed sentence for another two weeks. On Oct. 30, outside the courtroom where Wilson was to come up again for sentence, the reporting half of this team collided with Louis Yavner, Wilson's influential Democratic counsel, and Assistant District Attorney Jerome Kidder, who had charge of the case. Gene Gleason accused Kidder specifically of dragging his feet and said it was obvious Wilson was receiving lenient treatment. "I'll bet you now that he never serves a day in jail and that no other official of the Bureau of Real Estate itself is ever indicted in this case!" Gleason shouted. Kidder shouted back, red-faced and angry.

When court convened, Yavner and Kidder approached the bench and held another whispered consultation with Judge Marks. The judge then opened proceedings by denouncing the account we had printed July 22 about his "whispered consultation" with the two assistant corporation counsels. Obviously quite angry, the judge insisted that full and fair justice would be meted out in his courtroom, and that he wouldn't stand for any insinuations from anyone to the contrary.

Having delivered this lecture, he got to the sentencing, and suddenly the whole business fell apart. The judge discovered that he hadn't received the Probation Department's report on the defendant who had pleaded guilty five months earlier. Kidder, the prosecutor, was quite taken aback; he thought the Corporation Counsel's office had sent the report to the judge. The Corporation Counsel's office thought Kidder had. Obviously, it was impossible to sentence Seymour Wilson this day. And so the case was postponed again—another long postponement, this time until Dec. 3, 1958.

When that date came around, Wilson still didn't get sentenced. Judge Marks explained that the city was selling Wilson's Long Island home, in which there was a few thousand dollars equity, and he wanted to see how much restitution was made before he decided on Wilson's penalty. When Wilson came before the court for the final time on Jan. 13, 1959, almost eight months to the day after he had pleaded guilty, the city reported it had recovered $13,600 of its $49,000 loss, and with this information Judge Marks acted.

The Final Sentence

He gave Wilson a ten-year suspended sentence, explaining that Wilson was working and would pay back $15 a week on the money he had stolen.

Jerome Kidder, the prosecutor, protested the light sentence. "Every day people are sentenced to jail in these courts for stealing much less than he did," he told the court. But Judge Marks, who in November had given similar suspended sentences to thirteen men accused by the district attorney's office of being the top-policy operators in the city, stood by his decision.

Seymour Wilson walked out of court a free man, not having spent a day in jail. Even so, his punishment is the most severe inflicted yet for what Gerosa's office had called the worst municipal abuses in fifty years. After all, even though his payments won't cover the interest on the money he stole, Wilson does have to pay that $15 a week. Nobody else has been nicked for even that much. For example, on the other fronts of the realty scandals:

¶Milton Saslow and Abe Korman, officers of the bankrupt Nassau Management Company, were indicted on June 5, 1958, for misappropriating $242,785 from a trust fund earmarked for the construction of a Washington motel. More than sixteen months after the indictment, they still hadn't been brought to trial.

¶Two of the management companies involved in the bill-padding have been indicted for fraud and bribery. They applied to Judge Marks last November to examine

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the grand jury minutes to see if their indictment was justified; as of this writing, there has still been no decision.

¶A kickback indictment was leveled against two high-ranking employees of another management company, but they, too, have yet to be tried.

So far, nobody has gone to jail; so far, no official of the admittedly scandal-riddled Bureau of Real Estate has even been indicted. This is the tally sheet in a fraud that took $2 million out of the taxpayers' pockets—perhaps more!

Even today nobody knows how big the swindle really was. Eighteen months after the scandal broke, city officials admit they still don't know the full score, and they give the impression they aren't trying very hard to find out. When we first checked the Comptroller's office to see what loss their final audit showed, we were told that the records were all packed away, they couldn't say offhand. When we insisted on knowing whether the loss actually had been $2 million, we finally got an answer.

"It would go to the vicinity of $2 million," a spokesman said. "But I can't give you a solid figure. We still don't have the books of the biggest contractors. Hogan has them, we've been told. And I think we might have to make a motion in court if we expect to get them."

Hogan for Senator

New York, as you can see, takes an attitude of lofty nonchalance about a $2 million municipal scandal. It doesn't even trouble to find out finally and definitely just how bad it all really was. Nor does it show any disposition to punish anybody for letting such things happen. In fact, in the very months when the scandal was dying out of the headlines from malnutrition of news, one of the men who was supposed to be under investigation—Percy Gale, Jr., the bureau director who had resigned under fire—kept popping up in close association with the man who presumably was investigating him, District Attorney Frank S. Hogan.

This association seemingly has its roots in one of the strangest turnabouts in politics. For nearly seventeen years, Hogan had built a reputation as a non-political district attorney. Sponsored originally by Dewey, he had been backed by all parties, and until the summer of 1958, he had projected the image of a man not tied to any political machine. He had embarrassed Tammany with his Aurelio-Costello disclosure; he had certainly not endeared himself to Carmine De Sapio with his denunciation of the manner in which Joey Rao and Joe Stretch had deposed a Harlem district leader. These flashes of fire, repeated on various occasions during his long span in office, had led the press to hail Hogan as an incorruptible prosecutor, one of the ablest in the nation. He had been mentioned several times as a possible candidate for

Frank S. Hogan

mayor, and many believed that, if he had ever wanted to get into a knockdown fight with such as O'Dwyer, he could have had the job. But Hogan, in the end, had always shunned bitter party warfare; he had kept his image as the unfettered prosecutor, admired by both Republicans and Democrats.

Then, abruptly, in the summer of 1958—at a time, coincidentally, when his office was poking into the Bureau of Real Estate scandal—Frank Hogan suddenly plunged with both feet knee-deep into politics.

New York State Democrats were faced with the necessity of picking a candidate for the U.S. Senate. Governor Harriman, who was running for re-election, and Mayor Wagner were known to want a liberal candidate, preferably Thomas Finletter. But there, suddenly charging into the lists, came New York's long-time, non-charging, non-political District Attorney, Frank S. Hogan. Hogan wanted the nomination, and Carmine De Sapio, it was whispered, was solidly behind him.

Still the Boutonniere

The climax to this strangely offbeat drama, in which nobody appeared to be acting the way one might expect him to act, came at the Democratic State Convention in Buffalo in August. Monroe Goldwater, the former law partner of Ed Flynn and the attorney for Title I builders, and Percy Gale, presided over the unruly sessions. Almost inseparable companions in the days of maneuvering that preceded the day of decision were three oddly assorted figures—Thomas J. Shanahan, the Tammany fund-raiser and ally of De Sapio; Percy Gale, who was the husband of De Sapio's secretary and who had been De Sapio's personal choice for director of the Bureau of Real Estate; and Frank Hogan, the district attorney who was supposedly investigating the $2 million scandal in the bureau that Gale had headed and who was now being backed by De Sapio for the U.S. Senate.

"I saw them during numerous occasions at the Buffalo convention, and they were inseparable," says one sharp-tongued, anti-De Sapio Democrat. "Gale is like a lap dog and behaved as one during the convention, while Shanahan took the arrogant position from the beginning that Hogan was the only man for the spot."

The convention ended with De Sapio ramming Hogan down the throats of Governor Harriman and Mayor Wagner. In one revealing front-page picture, these two outstanding Democratic officials wore the glum and chastened look of schoolboys just dressed down by the headmaster. The De Sapio all-out performance for Hogan at Buffalo

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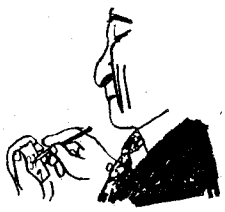
was attacked quite widely as one of the baldest and worst modern examples of bossism, and there can't be much doubt that the popular revulsion against it opened the way for the surprising triumphs, in a heavily Democratic year, of Governor Nelson Rockefeller and Senator Kenneth Keating.

The verdict of the voters wasn't known yet on election night when the reporting half of this writing team walked into Hogan's Senatorial campaign office. At this time Percy Gale hadn't yet been called before the grand jury probing the Bureau of Real Estate scandal (he was to appear briefly later in the month), and the whole, unpleasant, $2 million fraud that had been worked on the taxpayers had been just about forgotten. But suddenly, on this night, with Hogan's defeat in the election imminent but not yet apparent, the late unpleasantness in the Bureau of Real Estate was brought vividly back to mind by the natty, boutonniered figure of Percy Gale, sitting there behind a desk in Hogan's campaign headquarters. He had worked hard in the campaign, we were told. He had been doing his best to make a U.S. Senator.



PART 9

RACKETS — AND PAY-OFFS

THE LARGEST single industry in New York City is run by the underworld. It is a multi-billion-dollar yearly exercise in illegality, and it flourishes today, as it has flourished for years, by almost open connivance with the law, by widespread pay-offs and ever-widening corruption. The officialdom of New York has tacitly pleaded guilty to the existence and size of the underworld monster; just this year, desperate for revenue to keep its $2 billion-a-year bureaucracy functioning, it sought legislative approval to tap the stream of gangdom's dollars by legalizing and imposing a 15 per cent pari-mutuel tax on off-track betting. Mayor Wagner and his advisers estimated that, by splitting the revenue evenly with the state, New York City would get $100 million a year and the state $100 million. What wasn't generally realized at the time was this: when the city contended that a 15 per cent pari-mutuel tax would bring in $200 million a year in revenue, it acknowledged in effect that the illicit bookmaking industry in the city was doing an annual $1.33 billion betting business.

Fantastic? Impossible?

The public and many of the more learned gazettes seemed to think so, for the plan was greeted with hoots of derision. Hardly anybody bothered to find out just how the huge betting-revenue estimate had been derived, and so the real shocker — the admission by the city of the size of the underworld colossus — never registered with the public. Actually, all that New York was proposing was to tap just one of the rackets of the syndicate — and perhaps not the lushest racket at that. Even so, its estimate of a $200 million yearly tax revenue derived from a $1.33 billion flood of off-track betting was not visionary; it was ultra-conservative.

A man whom we respect as one of the really good brains in a city government not noted for cerebral capacity gives this inside view of the manner by which that $1.33 billion annual bookmaking estimate was arrived at.

"The Mayor's committee that studied the problem relied heavily on the 1954 report of the Wicks Committee of the legislature," he says. "They did this because the Wicks report represented the most conservative estimate of a staunch opponent of legalized off-track betting. The figure settled upon in the end — $200 million a year — was chosen not because it was the most accurate, but because it was the lowest. We wanted to make absolutely certain the plan would produce the minimum revenue we had claimed.

"Actually, there is evidence to indicate it would have produced much more. City Budget Director Abraham D. Beame and his staff worked on the problem and produced estimates from a number of different sources. One estimate indicated that off-track betting runs at a ratio of about 10-1 over track betting, and this figure was not considered excessive. Yet the Wicks report, on which we based our estimate, used the conservative ratio of only 3 to 1."

One of Many Rackets

What emerges from this analysis is the startling thought that the city deliberately underestimated rather than exaggerated the size of the underworld bookmaking racket. The probable size of the underestimation is indicated by experience in countries where there is some basis of comparison. In Puerto Rico, for example, betting on five- and six-horse parlays is nine times heavier off-track than on-track; in England, a church commission recently reported that off-track betting was about twelve times as heavy as on-track betting. A common, conservative rule of thumb in the underworld indictates that in New York, $5 will be bet with the bookies for every $1 bet at the tracks. When one recalls that $804 million was wagered at all New York State tracks in 1957 (the bulk of this at flat and harness tracks in the New York City area), one comes to the rather startling conclusion that the city's bookies are battening each year off the proceeds of $2.5-3 billion in off-track bets.

Such figures italicize the conclusion — and admission — of the Mayor's committee studying the problem that "illegal betting was carried on in tremendous proportions"; but even these gigantic figures do not give the full picture of the tremen-

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dous resources of the underworld and their infinite power to corrupt. Bookmaking is just one racket, and bookmaking on the horses is just one phase of it. The play on baseball, football, boxing and especially basketball, is heavy all over the city. High-stake crap games are not uncommon. And larger than any of these is the policy racket.

Policy, or betting on the numbers, flourishes from Brooklyn to the Bronx. In policy, the better can wager on a single number, two numbers or a series of three numbers. Usually, the winning number is determined by adding the totals of the money bet on the pari-mutuel machines in the first three races of the day. The number to the left of the decimal point is the winner. If a player is gambling on hitting a series of three numbers, the odds are an astronomical 600 to 1 against him, but such horrendous prospects only whet the appetite of the policy addict. He is gambling on the big, lightning strike. The viciousness of the racket lies in the fact that it plucks the pockets of the poor. The ordinary housewife can play for any stake from dimes to dollars, and the racket, with its false promise of big money for little money, seems to hold an especial allure for women. Once hooked, they'll rob the household budget and let their children go hungry, avid as any narcotics addict to get their play down.

Inevitable Pay-Off

There is no way of estimating what such a racket costs in human misery or how many millions of dollars it rolls into the treasure chest of gangdom. Even the most conservative estimate today, however, places policy in the billion-dollar-a-year racket class, and some estimates insist its play is three times the play in bookmaking. Arrest records, for what they are worth, indicate a phenomenal growth in policy activity. In 1957, for example, only 922 bookmakers were arrested, but policy arrests climbed to 11,531, slightly more than double the total just four years earlier, in 1953.

When organized crime is bankrolled by such flourishing rackets, it goes almost without saying that there has to be widespread corruption

of the police. Individual bookies may operate for a time without paying protection, but it's impossible to conduct a wide variety of multi-billion-dollar illicit businesses under the noses of nearly 24,000 policemen without the pay-off. So true is this that in New York today, the pay-off has become almost a way of life.

It has been that way for a long while, and the system is now so deeply ingrained in the life of New York that it seems impossible it can ever be eradicated. A graphic indication of the city's calm acceptance of its own corruption occurred in late July. City Councilman Earl Brown, who comes from Harlem, wrote a letter to *The New York Times* in which he said: "Rackets, such as the numbers game, are run fairly wide open in Harlem. The police cannot stop the gambling so they join the gamblers. Under these circumstances, many citizens, particularly the hoodlum element, lose respect for both the law and its enforcers. . . ." Here was a flat statement by a City Councilman who knows his section intimately, but neither the editors of *The New York Times* nor anyone else showed any immediate reaction — at least publicly.

Just how much graft is actually involved in this calm official acceptance of the rackets? What percentage of the Police Department has been infected?

These are the key questions, the hard questions, and there has never been a positive answer to them because there has never been the will, since gambling became big in the post-Prohibition era, for a thorough and searching look. The usual reaction — often the well-cultivated reaction — in any discussion of the delinquencies of the Police Department is that there are bound to be a few bad apples in so huge a barrel. You'll hear it said every time a policeman is caught with his hand on a bookie's bank roll. The few-bad-apples theory, however, does not seem to explain the immunity and years-long persistence of multi-billion-dollar rackets, does not seem to agree with Councilman Brown's observation that police are joining the gamblers en masse. On this basis, there is perhaps some justification for believing that the outnumbered apples in that huge Police Department personnel barrel are the good ones.

A Twice-Told Tale

This unhappy view finds factual support in some partial disclosures in the city's past. As long ago as 1942, John Harlan Amen conducted a special investigation of the Brooklyn rackets. His investigators set up hidden movie cameras equipped with telescopic lenses and recorded the traffic around some of Brooklyn's more nefarious bookmaking parlors. They even captured and preserved on film the likenesses of policemen coming around with their hands out to take their cut. In a special report in April, 1942, Amen charged that New York police on a city-wide basis were taking more than $1 million a year from gamblers in protection money. A couple of grand juries

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examined Amen's charges, and cops who had been so indiscreet as to walk into the camera's eye were bounced off the force; but nobody really suffered much, nobody went to jail, the bookies continued doing bigger and better business, and the pay-offs — as the sequel was to show — continued to get bigger and better, too.

Concrete evidence of this developed some eight years after Amen's denunciation had fallen on deaf ears. Again the scene was Brooklyn. Miles McDonald found Harry Gross doing a $20 million-a-year bookmaking business — and paying out $1 million for protection. The pay-off figure was the same that Amen had cited, but this time it wasn't a city-wide pay-off. Gross operated almost exclusively in Brooklyn, which is neither the largest nor the wealthiest of New York's five boroughs. One can only presume that lush territories like Manhattan and the Bronx, to say nothing of Richmond and Queens, were not being neglected by the mob.

One indication of the size of the mob bank roll that corrupts officialdom came out of the Kefauver Committee hearings in 1951, shortly after the Gross scandal. The committee found that, in Philadelphia, one gambling ring was paying monthly installments of more than $150,000 for protection — an annual bribe of $2 million a year. Philadelphia, of course, is not New York. Neither is it anywhere near as large as New York nor anywhere near as wealthy; and sad experience over a long span of years has shown that the syndicate is not an organization to ignore the biggest pot of gold, the richest pluckings in the entire nation.

"Our No. 1 Business"

The colossal stake of the underworld in New York has been exposed many times — almost invariably with tragically ludicrous results. In 1954, the *Daily News*, New York's largest circulation newspaper and one of the most accurate in writing about crime and criminal operations, focused a strong spotlight on the entire issue in a series in which it boldly proclaimed: "Gambling Is Our No. 1 Business." It found that the volume of money wagered annually averaged a billion dollars every three or four months, that this huge flood dwarfed the gross sales of any legitimate business in the city, and that the entire colossal, illegal operation ran without any serious interference from the police. High police officials told the *Daily News* then exactly what they tell questioners today — oh, sure, there is some gambling, but there is no large-scale syndicate operation and you can't catch everybody; sure there is some surreptitious bookmaking, but it isn't out in the open, it isn't big-time the way it used to be. Such alibis sounded better before the Wagner administration, in its need for new taxes, admitted officially that bookmaking alone, by the most conservative estimate, does a minimum business of $1.33 billion a year.

Volunteer Detectives

The contrast between pretense and reality showed up most graphically only a couple of years after the *Daily News* had drawn official yawns with its account of multi-billion-dollar underworld gambling operations. In a farcical sequence that went almost unnoticed at the time, the city's police became greatly exercised, not at the prevalence of gambling crimes, but over the activities of some volunteer detectives who moved in and tried to show officials and the public just how wide open the New York rackets really were.

This was in the fall of 1956, and the city had at the time an organization that since then, most unfortunately, has been allowed to die. It was called the New York City Anti-Crime Committee. It had been formed in the aftermath of the Kefauver disclosures, when the public became excited for a time about the monstrous specter of American crime. The committee was headed by Spruille Braden, a diplomat, and it was supported by some wealthy businessmen with good intentions but with little practical experience in the hard, cynical field of big-league crime. The original ballyhoo indicated that the committee would have a $250,000 budget; in actual practice it usually operated on little more than one-fifth of that. It never had more than a handful of detectives. But despite its small size, skimpy resources and lack of official powers of arrest, subpoena and interrogation, this tiny group sometimes uncovered seamy facts of life that appeared to be completely hidden from the great, sprawling New York Police Department.

The Face of Crime

Thomas J. Donlan, who headed the anti-crime committee's detective staff, had long been concerned about the fantastic growth of the policy racket in Harlem. In late 1955, he and his detectives launched a year-long investigation. They obtained a jeep station wagon and transformed it to look like a television-repair truck. Signs were painted on each side of the body, and in the middle of each side panel appeared what looked like a replica of a huge television tube. Actually, the tubes were two-way mirrors. Behind these, movie cameras were installed to record the action on the streets. The truck with its concealed equipment enabled Donlan and his detectives, disguised as television repairmen, to park almost on the doorsteps of some of the best policy and bookmaking joints in Harlem without attracting the least suspicion. Their cameras began to grind away, recording the face of crime; and as in the Amen probe of 1942, it wasn't long before some of New York's Finest loomed up in the camera eye in contact with some of the most eminent figures in the Harlem underworld.

The anti-crime detectives operated for months and were caught spying only once. They had their truck parked one day near a key action corner in East Harlem. The movie cameras were grinding away when a couple of neighborhood kids climbed up on top of the truck, leaned over and peered into the interior through the front window, laughing and pointing. At the time, the discovery was annoying because the detectives were recording the activities of an East Harlem racketeer who wasn't catapulted into headline fame until this summer, a full three years later.

The racketeer was short, beefy Tony (Fat Tony) Salerno, whom Donlan and his detectives had al-

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ready identified as the "big man in policy" in Harlem. Salerno often held a rendezvous on this particular corner with another emperor of the Harlem underworld, Joey Rao; but, though Salerno's importance was known to the anti-crime detectives, as their 1956 records show, he apparently had not aroused much official curiosity. He hadn't been disturbed by so much as an arrest since 1933, when a policy rap had been lodged against him. He continued to enjoy a priceless anonymity as far as the general public was concerned until, in August of this year, it was disclosed that he had muscled himself into a one-third interest in Rosensohn Enterprises, sponsors of the Floyd Patterson-Ingemar Johansson world heavyweight championship fight.

Salerno was only one of many East Harlem policy figures whom Donlan and his detectives fitted into the picture of the big-time racket in their months-long sleuthing. They pinpointed policy banks and activities; they charted tie-ups between the key East Harlem mob and other policy mobs in West Harlem and the Bronx. Inevitably, word of their activity eventually leaked out. When it did, New York police swung into action. They began to try to hunt down the anti-crime committee's camera-equipped jeep!

Donlan's Report

It became quite obvious, according to Donlan and one of his key investigators, William A. Giustiniani, that police had been tipped off about their "spy" truck. Patrolmen on the beat and detectives began to watch for it, but the information the police had been given was a bit imprecise. Apparently, they had been told to look for a green-paneled truck, with an interior-decorating firm's name on the side. Eventually, they found the truck they had been looking for, and when they did, they camped a squad car right beside it and followed it everywhere, calling public attention to it and making it completely useless as an anti-crime vehicle. Only one thing was wrong. The police had the wrong truck. The one they had spotted belonged to detectives of the Waterfront Commission. The anti-crime committee's jeep continued to elude the city sleuths.

Affairs had come to this ridiculous impasse when, in late October, 1956, Donlan himself gave the fruits of his year-long investigation to District Attorney Hogan's office. He identified the seven men who, his investigation showed, controlled the policy operation in the city and, in a public statement, emphasized the magnitude of the policy operation:

> In only one spot these racketeers had four clerks, five lookouts, one sheet-writer, two runners to the "drops," six clerks at the "drop," six more clerks at the bank and twelve lookouts where the bank was located.
>
> From the numbers of places the ring operates in the Bronx alone, this indicates there are approximately 3,500 employed in the other organizations. What the Committee would like to know is: How could such a highly organized racket operate under the eyes of the Police Department?

This biting question, asked by Donlan on Oct. 24, 1956, was the prelude to an amazing scene at Police Headquarters. There, a few days later, Police Commissioner Stephen P. Kennedy publicly announced that his men had been trying to find a truck with concealed cameras that had been used in Harlem for spying purposes. Such a public statement by the city's Police Commissioner, whatever its intent, could only have the effect, it would seem, of warning every gangster who could read that the time had come to lay low.

The anti-crime committee, not especially noted for its belligerency, was sufficiently aroused by Kennedy's disclosure to snap back in a stinging rebuke. In a statement on Nov. 1, 1956, it accused the Police Department of squandering time and manpower in "investigating a responsible anti-crime committee" instead of criminals. The committee said it had learned somewhat earlier that "members of the Police Department were tailing our investigators," but said it was "shocked" that Commissioner Kennedy had "publicly proclaimed" the fact and had revealed for all to read the precise details of the investigative methods being used. The statement went on:

> The conduct of the Police Commissioner raises serious questions. Why didn't the Police Department determine the true user of the vehicle? Hasn't this disclosure hampered the work of the agency using the vehicle? Hasn't the disclosure of this investigative technique harmed all law enforcement agencies?

Death of an Inquiry

To these hard questions, there were no answers. The Police Department replied merely that it had more important things to worry about than what the anti-crime committee was doing. And with that brush-off, the whole pregnant issue died, interred in obscure news items in the back pages of capacious newspapers.

The anti-crime committee's policy investigation died too. The official agencies of the law, offered all the information, never did become very much excited. Less than a month after Donlan had conferred with Hogan's aides, division detectives apparently went right back on the take. A memorandum in the anti-crime committee files, dated Nov. 19, 1956, noted that earlier in the month division men "had refused to pick up the pad" and "had made a number of inconsequential arrests." The memorandum continued:

> However, this past Friday the division men contacted the various spots and commenced collecting again. The present tab is $470 [monthly] per spot. It is understood that the distribution of these moneys is as follows: $20 for each division man and the pad man [the individual picking up the moneys] gets an additional $20; the remainder is split among the bosses, who are believed to receive about $50 apiece. The $470 does not take into consideration moneys paid to uniformed personnel of the Police Department, which are an additional expense for each spot.

The accuracy of the anti-crime committee's information was indicated a couple of years later, in April, 1958, when a Kings County grand jury in Brooklyn returned a presentment in which it cited the same scale of pay-offs. In 1956, it charged, bookies paid $450 a month to operate (a figure almost identical with the $470 a month policy pay-off the anti-crime committee had found in

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Harlem), and since that time the tariff had been raised to $500 a month.

What this means is that each bookie (i.e., policy spot) is paying $6,000 a year just to operate, and in some sections of the city, like Harlem, the spots are thicker than fleas on a dog's back. One source estimates that, from policy alone, a sergeant in a Harlem precinct can average $200 a month, and this is chicken feed compared to what the higher brass, paid at the top rate of $50 a spot, drags down. Even this pay-off, huge as it is, isn't the only one. As the anti-crime committee memorandum noted, uniformed men have to be placated and, in addition, clearances have to be negotiated with top-level squads that might be tempted to interfere. When all this has been taken care of, the bookie or policy runner must brace himself for little extras like the "toss," which may be described most succinctly as an extra shakedown. Every once in a while a plainclothesman or a detective may be a little extra short of funds, or perhaps he may be feeling just a little extra greedy, and he'll back a bookie up against a wall for a "toss." A "toss" does not come cheap; it usually costs about $200.

"When that guy hustles you into a doorway and asks you if you can take a toss, it is cheaper to give it to him," one bookie says. "You lose more than $200 if they take you in. You got to spend at least a day in the tank with assorted characters and crawling things. Then the lawyer is $100 or so, then there's the fine, and by the time it's all over, you've lost the best part of two days from your own business. It's better just to give it to them."

Phony Shake-Ups

This is the system that operates in New York. Quite a volume of credible evidence indicates that it has been operating this way for a long time now; that it is a system that has weathered repeated exposures; and that, after the headlines of the moment die, nothing ever happens to put an end to it. One of the best illustrations of the fact that there is in America today a special, unwritten law of immunity for officialdom comes every time there is a rumor of cop-bookie collusion. "Big Cop Shake-up in Harlem," the headlines will scream. In fifteen years in New York, the writing half of this team has written the same phony story so many times that he is now positively afflicted with nausea. The story will explain that the police commissioner is angry, he is getting tough, he is bouncing commanders out of Harlem and bringing fresh blood in. This is supposed to be drastic action. But is it? Is anybody ever prosecuted? Do any of the bribe-taking cops — and common sense says their number must be legion — ever go to jail? The public knows better. All that happens, usually, is that the bribe-takers are given new areas to cultivate.

The Luberda Story

Some idea of the kind of individual wealth the system breeds burst into the open most surprisingly last March. On March 5, a retired New York plainclothes sergeant, Joseph G. Luberda, was arrested for drunken driving on the New York State Thruway near Suffern, N.Y. When state troopers looked into the trunk of his car, they were startled to find an old, earth-stained, 30-caliber ammunition canister packed with $19,500 in cash. There were nine packages of $20 bills worth $2,000 a package, and other packages of 5s, 10s and 100s totaling another $1,500. Some of the bills appeared to be twenty years old. Bank books found in the car indicated that Luberda had some $16,000 on deposit in various banks. In addition to all this, there were some 200 memoranda listing the names of at least a hundred known gamblers and racketeers, with addresses and figures that seemingly represented monthly pay-offs.

Luberda, who was fifty-two, had joined the police force in 1929 and had retired on May 20, 1956 — the year in which, coincidentally, the anti-crime committee was investigating the policy racket in Harlem. Though he had retired on an annual pension of only $3,277, Luberda lived in a $40,000 Tudor-style home in Forest Hills, L.I. Asked to explain where he got the tidy fortune found in his car trunk, the ex-sergeant said he was just minding the money for his mother. This turned out to be news to the mother, Mrs. Estelle Matysiak, of Jersey City. She was married to a retired railroad worker so poor that he didn't even have an overcoat to protect him from the raw March weather when he appeared in court. Told that her son had said the car trunk fortune was hers, Mrs. Matysiak protested in amazement: "I got no money — just enough to live."

Discovery of Luberda's hoard touched off a frantic scramble. High brass of the Police Department swung into action. They went right out personally to track down the gamblers whose names cropped up on Luberda's list — found them, too, right where Luberda's notes said they would be, doing business at the same old stand. About fifty suspects were hauled off to police stations. Some were fortified with wads worth from $1,000 to $2,000 in their pockets; they couldn't be charged even with vagrancy. In a few hours, after a few slap-on-the-wrist charges had been lodged, all were let go. The great sensation began to die.

Luberda himself was taken before several grand juries, where he relied constantly on one of the world's most atrocious memories. Finally, on May 28, District Attorney Hogan had him indicted for criminal contempt of court for answering questions "evasively, equivocally and falsely" before a grand jury. In announcing the indictment, Hogan and his chief assistant, Alfred J. Scotti, revealed some of the questions and answers before the grand jury. Asked whether the cash figures Luberda had jotted down opposite the names represented pay-offs, he replied: "I don't know." "Do you deny they were pay-offs?" he was asked. "No, sir," he said. He insisted he couldn't recall who had drawn up the lists. He might have prepared one himself, but he couldn't be sure. Asked specifically if one list represented a collection sheet, his only answer was the familiar refrain: "I don't know."

In addition to some of the grand jury questioning, Hogan's office also

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revealed the names and addresses of some of the gamblers on Luberda's list. It escaped notice at the time that many of these names and locations — names and locations that sent police into such a frenzy of activity to round up suspicious characters — were identical to those given to authorities two and a half years earlier by the anti-crime committee.

Fixed Targets

The largest money figure on Luberda's memoranda was 750 after the name "Lou Gimt, 539 Lenox." This was evidently a misspelling of Louie Gimp, which is the way the name appeared elsewhere on Luberda's lists. The anti-crime committee's investigators in 1956 had identified Louie Gimp as one of the principal lieutenants of the Apuzzo brothers, top Harlem policy racketeers. They had found Louie Gimp operating at the same 539 Lenox Avenue address, and they had noted that, on one occasion when he had been disturbed by the police, he had been accused of nothing more serious than vagrancy. Furthermore, Luberda's lists indicated that Louie Gimp's pay-off took care of three other locations besides the one at 539 Lenox; one of these, a store at 677 Lenox Avenue, had been spotted by the anti-crime committee investigators nearly three years before and had been identified by them as a major Apuzzo policy drop.

The anti-crime committee sleuths had spotted activity in a private house on 126th Street near St. Nicholas Avenue. Luberda's lists included this address, too, the item reading: "Man 126 & St. Nick," and alongside the figures "(Hat 25) and 25." "Hat" is another term for "toss." In underworld parlance, it represents an extra shakedown under the pretense that the poor guy doing the shaking is so hard up he needs money for "a hat."

Even the most casual examination of Luberda's lists and the anti-crime committee's memoranda show these and other similarities. Most important, in this connection, is that many of the specific areas of policy-play pinpointed by anti-crime committee detectives were confirmed by Luberda's documents. This, plus the fact that many of the men named by Luberda were picked up right where they were supposed to be, illustrates a characteristic feature of the policy racket. Unlike bookmaking, in which a large amount of business can be transacted by telephone, the policy operator has to have direct contact with his clientele. The housewife in a neighborhood must know that she can go to a certain store every day and find the policy operator with whom she is doing business. In policy, if a man moves several blocks to avoid suspicious police, he loses his clientele; he may move to the store next door or the one across the street, but he is literally anchored by his business to one definite locale. All of this would seem to indicate that big-scale, wide-open policy rackets are more vulnerable than bookmaking and might be more easily suppressed if the police were really trying — especially when authorities have been given precise names and addresses and supporting detail by volunteer helpers equipped with sleuthing cameras.

Everyone Must Pay

The continued prevalence of multi-billion-dollar rackets in the face of such specific information would seem to deprive the police of the excuse of ignorance and to leave only one possible explanation — widespread corruption in which, as the Amen and Gross and Kefauver testimony would indicate, the city-wide pay-off probably runs into the millions. But even this is not the most horrifying aspect of present-day New York. For the plain truth is that when corruption begins, there is no end to it; the system that is used to collect from racketeers is simply extended to collect from legitimate businesses.

It is almost impossible to go anywhere in New York today, unless you are stone deaf and totally blind, without hearing constantly repeated, with infinite variations, the story of the pay-off. Even in the hinterlands, fifty miles from New York, you cannot escape it. Fire inspectors come to check a business building; the codes are so stringently drawn that it is easy for them to find some kind of violation, but for a little fee they'll go away and leave things alone. If a firm is installing Univac or some similar electronic monster to take care of its bookkeeping — and literally thousands of firms in the city are doing just this — a building permit has to be obtained, the wiring has to be inspected and approved. Again a little money strategically placed insures that the work can proceed smoothly, without trouble.

Sometimes the rumblings of protest against such rackets become so audible that the authorities are impelled to act. In the last six months of 1957, James R. Kennedy, First Deputy Police Commissioner, conducted an investigation into published charges that the police had been systematically shaking down building contractors throughout the city. Both the *Real Estate Weekly* and *The New York Post* had run articles charging, in essence, that pay-offs had become practically a prerequisite for doing business in the contracting field.

In his final report — on Jan. 21, 1958 — the Deputy Commissioner said he had found the charges completely unjustified. He had questioned 300 construction firms, he said, and only one admitted making pay-offs to policemen. He said that his study "failed to reveal any evidence of an organized scale of pay-offs, graft, or any systematic shakedowns or acceptance of gratuities by members of the department. . . ." But his report, if you read far enough, did seem to indicate that perhaps there had been some fire under all the smoke. The Deputy Commissioner had unearthed twenty-one complaints of shakedown attempts; one sergeant had been forced to retire; one patrolman had been dismissed; three captains and two patrolmen had been scheduled for departmental trials; and unspecified charges had been filed against six sergeants and eight other patrolmen.

This seems like quite a tally to have been returned along with a purity clearance, and it is perhaps belaboring the obvious to point out that when an accused agency investigates itself it hardly ever returns a harsher verdict than it has to. Per-

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haps a more thorough and independent probe, with auditors ferreting out what petty cash disbursements in a construction firm's books really represent, would have yielded a different picture. For one thing is definite: some multi-million-dollar corporations putting up new steel and concrete skyscrapers all over New York still feel that they couldn't do business without the pay-off.

Cheaper to Pay

Business executives time and again will tell you the same story. "We don't like it," they will say. "We don't approve it. But we just have to do it; you can't do business otherwise."

One of the most reputable construction men in New York spent several minutes assuring us of this. He insisted there was no other way of operating, that it's absolutely impossible for any firm, however big, to buck the well-established system. He pointed out that every time a truck parked, tying up traffic, every time a sidewalk was blocked, technically a ticket could be issued. Fire and building inspectors, in addition to the police, can make all kinds of trouble if they want to. It would not be unheard of for a firm to garner thirty to forty summonses a day for various offenses, and there would be all kinds of delays — workmen would be standing idle waiting for material that could not be delivered. It's better to spread $10 or $20 here and there; the pay-offs on a $6 million office building, during the period of its construction, will come to something less than $10,000 — far less than it would cost to fight the innumerable tickets in court and lose construction time.

The contrast between the advantages of "the system" and the disadvantages of bucking it were vividly illustrated by the experience of one construction company that put up a big midtown office building a couple of years ago. The building firm was so conscientious that it decided it wouldn't pay off anybody for anything. The result was, according to the story in the trade, that it was almost buried under an avalanche of tickets; its profits were slashed; and the firm decided that, in the future, much as it didn't want to, it would have to go along with "the system."

In New York today, everybody goes along. Even the newspapers. Some of the largest and most reputable papers in the city pay off the police to make sure that their paper trucks and their delivery trucks don't get tickets when they clutter the streets at edition time. Some lists of newspaper "contributions" are pretty inclusive; they begin with the captain and the sergeants in a precinct and go down through the ranks of patrolmen. Each gets his honorarium, and the total in the course of a year runs into thousands of dollars. There may be some newspapers in the city that do not follow the practice; but it is widespread, well established, and before any editorial writers take umbrage at the charge, they had better ascertain just what some of those miscellaneous expense vouchers initialed by their circulation departments really represent.

Story of One "Kitty"

When even the newspapers are paying, it may be taken for granted that "the system" is well organized and solidly entrenched. How well organized and how solidly entrenched may perhaps best be illustrated by the story of "the kitty." There are various kitties. Sometimes it is called "the sergeant's kitty" or "the captain's kitty"; at other times, just "the kitty." Whatever the term, the "kitty" is an organized collection, and it gets especially fat at Christmas time.

It should be said by way of preface that businessmen as a class don't object to taking care of the cop on the beat. They expect to do this and, indeed, are often glad to do so because they want the cop's good will — his presence and help in time of trouble, the extra protective check he may give their businesses when he walks his beat at night. Businessmen don't consider the money they give to the cop on the beat a pay-off; rather, it's a good-will offering freely and willingly given. The "kitty" is a cat of a different color.

Our story of "the kitty" and its origins goes back a few years. Shortly before Christmas some years ago, we were dining in our favorite tavern when a police car stopped outside and two police sergeants came in. They presented the proprietor with a printed list containing the names of all the men in the precinct office. Their demand: bottles for everybody. The proprietor was indignant. "I always take care of the fellows on the beat," he said, "but do you mean I have to take care of these guys too? Guys I've never seen, never heard of?"

Our paper ran a story based on the incident, and Police Commissioner Stephen P. Kennedy got quite wroth about it and read the riot act to his men. There was to be absolute-

ly no solicitation of Christmas gifts, he said, and he'd deal sternly with any policemen attempting it. The words were right, but in the intervening years, they appear to have been forgotten. All that has happened, it seems, is that the printed lists with the possibly incriminating names have been eliminated, and a nice, anonymous "kitty" has been born.

Last year at Christmas time, the reporting half of this team was lunching in a tavern run by the same proprietor who had had the list served on him years ago. A patrolman came in, said he wanted a contribution for "the kitty." The amount he asked sent the proprietor into voluble protest. He was at a new location, he pointed out; business had

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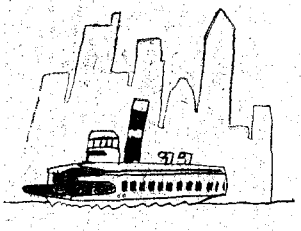
been bad; he simply couldn't afford to cough up $75 or $50 for "the kitty." He finally donated $25; the patrolman took it and left.

About a week later, the ax fell. The tavern proprietor, perhaps carried away by the spirit of the season, had put up a small sign wishing his patrons a Merry Christmas. Now State Liquor Authority regulations provide that nothing shall obstruct the view into a tavern from the street. This particular sign was small, hung at the top of the window and left a clear view underneath; but the police said it was a violation and gave the owner a summons.

The downtown New York area in which this occurred is an especially busy one. It is cluttered with small and large businesses, wholesale firms and loading platforms. Conservatively, there are 1,000 businesses in the precinct area, and the experience of our favorite tavern would indicate that nothing much less than a $50 contribution to "the kitty" is considered proper. Some estimates place the average at double that, but even at $50 — and using a conservative estimate of the number of businesses that could be tapped — this means a "kitty" stuffed with some $50,000, enough for a very merry Christmas.

This is the picture, as we have found it, of a city that breeds rackets and lives by the pay-off. There will, no doubt, be angry denials. Some perfectly well-meaning people will doubtless contend that, even if it's true, we should have kept quiet. We can't agree. When things are bad, the badness has to be understood; if it is compounded by hypocrisy, it will never be corrected. Corruption breeds sloth and indifference. It creates a society that gives the horse laugh to the old-fashioned ideal that a good job should be done for the job's sake. It creates a society in which average people have no rights and the worst kind of injustices can happen — even to an eight-year-old boy.



PART 10 HE NEVER HAD A CHANCE

A LIGHT flashed on the central switchboard of the New York Telephone Company office in Forest Avenue, West Brighton, S.I., at precisely 2:04 A.M., Sept. 2, 1958. Mrs. Catherine B. Thompson, one of the operators on duty, plugged in on the line. She heard the sound of heavy breathing. "Hello," she said, "hello." There was no answer, just that heavy, breathing sound. Mrs. Thompson turned to another operator, Mrs. Florence Parkin, and asked her to trace the call. Mrs. Parkin quickly found that it was coming from a house at 242 Vanderbilt Avenue. Then she cut in on the line, holding it open, while Mrs. Thompson notified police that something appeared to be wrong.

Even as Mrs. Thompson was speaking to the desk sergeant at the St. George police station, Mrs. Parkin heard the labored breathing on the line turn into a voice. A woman gasped: "I've been stabbed."

The operator immediately cut the police in on the conversation, and both she and the desk officer heard the woman repeat: "I've been stabbed. I've been attacked with a knife." A second later, the voice added: "My husband has been stabbed, too."

Then there was silence. It lasted only a second. Then a new voice, a little boy's voice, came on the wire.

"My mother is bleeding," the voice said.

Mrs. Thompson told the boy police already were on the way.

"I'll wait for the police outside," he said.

"No," she told him, "you better stay with your mother."

Such was the beginning of a drama that was to shock the nation.

The Curtain Lifts

Just six short minutes after that first warning light flashed on the Staten Island switchboard, at exactly 2:10 A.M., Patrolmen Vincent J. Meli and Henry Tyson pulled up before the two-story house at 242 Vandervilt Avenue in the Fox Hills section, an area that in olden days had been known as "The Witches' Field." The house sat on a steep little hill. The patrolmen climbed seven steps, went up a ten-foot walk, climbed three more steps and entered the front door. Waiting to greet them, clad only in pajamas, was a small, slender, tow-headed boy, Melvin Dean Nimer, aged eight. Behind him in the silent house was a scene of blood and brutality.

The patrolmen found the boy's father, Dr. Melvin A. Nimer, thirty-one, a physician at the nearby Marine Hospital of the U.S. Public Health Service, sprawled on the kitchen floor, covered with blood from deep stab wounds. In the master bedroom upstairs, they found Mrs. Lou Jean Nimer, thirty-one, slumped on the floor between the bed and the wall where she had collapsed while telephoning. She, too, had been badly stabbed.

An emergency call went out for an ambulance and detectives. The ambulance arrived promptly, and at 2:18 A.M., Mrs. Nimer was placed in it to be taken to the Marine Hospital, just three blocks away. She was still conscious. Significantly, in the light of future developments, she still retained her presence of mind. As she was being placed in the ambulance, her thoughts obviously turned to her younger children still asleep in the house—Melvin Dean's brother, Gregory, two, and his sister, Jennifer Jean, just five months. The baby especially was on the mother's mind, for she told police: "Please feed the baby plain milk. No formula."

Even as the ambulance left, in the house, on the kitchen floor, Dr.

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Nimer was dying. Blood was welling up from his wounds. "I'm choking, I'm choking," he moaned. But he, too, still retained his faculties. He warned police against moving him or raising his head, and told them simply to brace his feet against the wall until the ambulance returned. When it did, within a few minutes, he too was rushed to the hospital, and there he died shortly after he was admitted.

Mrs. Nimer lived a few hours longer. An emergency operation was performed in a desperate attempt to save her life, but at 5:30 A.M. she died while still on the operating table.

Staten Island authorities had a sensational double murder on their hands, and investigative forces were quickly marshaled. District Attorney John M. Braisted, Jr. and his assistant, Thomas R. Sullivan, were notified. Deputy Chief Inspector Edward W. Byrnes and Inspector Carl I. Blank assumed command of the police investigation. Detectives and technical experts swarmed over the house at 242 Vanderbilt Avenue. From the outset, they had one thing going for them. They had an eyewitness—Melvin Dean Nimer, known as Deany.

Deany's Story

The boy told this story:

He had been asleep in his bedroom across the hall from his parents' room when he was awakened by something touching the bed, disturbing the bed clothing. Startled, Deany woke, looked up, saw a man looming above his bed. The man, he said, wore a white mask, like a sheet, that covered his entire head. Deany screamed.

The masked man grabbed him by the throat, tried to choke him. Across the hall, Mrs. Nimer, hearing her son scream, rushed to his aid.

"Mommy came and the man hit her with something and she started bleeding," Deany told police. "Then Daddy ran in and they started fighting and Daddy started bleeding."

The struggle between his father and the masked intruder took place in the hall outside his bedroom, at the top of the stairway, the boy told detectives. The prowler, he said, was "a little bigger than Daddy," and he broke away and ran downstairs with Dr. Nimer in pursuit.

Mrs. Nimer had gone to her bedroom and sat down on the edge of the bed to use the telephone and call for help. She slid off the bed, moaning faintly, "I'm dying. . . ."

This was Deany Nimer's story. Based upon it, police sent out a thirteen-state alarm for the prowler who had slain Dr. Nimer and his wife: "Unknown male, white, wearing blue dungarees and blue-striped shirt. May have blood on his clothing."

The Cloth Strips

Right at the start there was one bit of undeniable physical evidence that seemed to lend substantiation to the story Deany Nimer had told. Only vague hints of this appeared in the press at the time, and its significance was quickly forgotten. It was mentioned that police had found a piece of cloth (some accounts said two pieces) that had been left folded on the boy's bed. Actually, we are told, there were about half-a-dozen strips of cloth torn into handy lengths that suggested they had been intended for gags or bonds. The cloth was a faded, odd-colored, cotton ticking—the kind of coarse, heavy material that was often used for old mattress covers—and the strips, according to those who tested them, were strong. The material matched nothing else found in the house, and police at first thought that the strips might have been ripped from an old hospital mattress. The nearby Public Health Service Hospital was checked on this supposition, but the cotton ticking evidently hadn't come from there. It never was traced and identified.

Indeed, the mysterious cloth strips soon were forgotten as investigators concentrated on two other elements of the mystery. How had the prowler entered the home? And where was the murder weapon?

Again these key questions were never to be answered, but the first one, from a combination of circumstances at the murder scene, appears to have assumed from the early moments of the investigation an exaggerated importance in official minds. An examination of the house showed that a cellar window had been left open. A water hose led out the window into the driveway, where Dr. Nimer had washed the car the day before he and his wife were murdered. An intruder could have slipped into the house through this window, but technical experts examined the window sill and quickly discounted the possibility. Minute particles of dust and dirt on the sill had been undisturbed, and this would hardly have been possible had a full-grown man squeezed through the comparatively narrow opening.

Yet this appeared to be the only easy means of entrance. Elsewhere in the house, a screen on one of the downstairs windows was unhooked, but again there was nothing to indicate an intruder had crawled through the window. The inside front door had been partially open when the first patrolmen arrived, but the aluminum screen door had still been latched and Deany himself had released the catch to admit police. It almost seemed as if no one could have entered the house—and, especially, that no one could have departed in the kind of hasty flight that Deany Nimer had described, *if* Deany's story were true.

Beginnings of Mystery

This, it became obvious later, was the first fork in the road the investigators were to take. A second element involved the location of Deany's Boy Scout knife. In searching the house for the murder weapon, detectives discovered that apparently none of the kitchen ware had been used. But Deany's Boy Scout knife was missing. The boy was positive it had been in a pocket of his trousers, hanging on the knob of his bedroom door. Detectives looked, but the knife wasn't where Deany had said it was. A thorough search of the house finally turned up the potential weapon, hidden between the covers of the Mormon magazine *Era*. A laboratory analysis—the kind of minute examination that can reveal droplets of blood not perceivable by the human eye—soon established that the knife was absolutely unstained. Still, could the knife have been cleaned? Could it still be the murder weapon?

These questions were hovering unasked in the air, unknown as yet to

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press and public, when the first reporters converged upon the murder scene. Even though the early roadblocks, the early forks in the investigative pathway, were not clear, there was about this investigation from the start a disturbing overtone. One of the first reporters on the scene was scrambling for information when he was elated to receive a high-sign from a high-ranking detective whom he knew. The detective drew him aside, and the reporter was all anticipation.

"I thought he had something he wanted to tell me," the reporter recalled later. "But do you know what he said? He pointed to District Attorney Braisted, and he asked me: 'You've been around quite awhile. You've seen Hogan work. How do you think he compares with Hogan? Is he as good?'"

This early, it would seem, some minds were already more preoccupied with the question of the reflected public image, the question of their own reputations, than they were with the baffling details of the horrible crime that cried out for solution.

Finger on the Boy

In the succeeding days, the investigation followed the usual frenetic course of sensational headline crimes. A number of suspects were picked up, questioned, released. The ground around the Nimer house, the streets in the area, were searched and searched again. In all of this just two discoveries were made that seem of significance now. Detectives disclosed that they had found two footprints —the footprints of a man—in the soft earth at the left rear side of the Nimer house. Plaster casts were taken of them in the hope that they might ultimately serve to identify the foot that had made them. The second discovery involved a knife. About 6 P.M. on Sept. 3, the day after the murders, two patrolmen found a sharp-pointed knife, with a five-inch blade and a wooden handle, in a hedge about 1,000 feet from the Nimer home. Under laboratory analysis, the knife revealed traces of blood, but they were so faint that it could not be scientifically determined whether the blood was animal or human.

Both of these discoveries, if they meant anything at all, seemed to point away from the suspicion that already had taken root in the minds of officials. This suspicion involved Deany Nimer. Newsmen, under a pledge of confidence, were told that the boy was a suspect in the murder of his parents. He was undergoing psychiatric examination.

While the public still had no suspicion of the sensation that was about to burst, journalists who had been given the tip dug energetically into the background of the Nimer family. The parents had been Mormons. They had been married in September, 1946, in the culmination of a childhood romance that had begun back in their home town of Orem, Utah. Dr. Nimer had received his medical degree from the University of Utah, had served in a Public Health Service Hospital in Seattle, Wash., and had come to Staten Island only a few months before to start a three-year surgical residence at the Marine Hospital. Intimates of the family had considered their home life ideal. There had never been a hint, prior to the murders, of any mental problem involving Melvin Dean Nimer. He was an open-faced, smiling, attractive boy. Indeed, he and his father had seemed to have great affection for each other. Neighbors recalled how, when Dr. Nimer came home from the hospital, Deany would run up to him and throw his arms around him.

Was it possible that such a boy, at so young an age, could be a veritable Dr. Jekyll and Mr. Hyde? Even if he were possessed by a dark soul-demon hiding under the smiling face, was it physically possible for such a tiny lad to murder *both* of his parents? After all, Deany was only 4 feet 4; he weighed only sixty pounds.

The authorities obviously decided that he could. Relatives of the Nimers had been notified promptly of the tragedy. Mrs. Bertha Park, mother of Mrs. Nimer, and Dr. Harold Nimer, Deany's uncle, had flown to New York immediately. With Dr. Harold Nimer's consent, District Attorney Braisted sent the boy on Friday, Sept. 5, three days after the murders, to the Staten Island Mental Health Center for analysis. The clinic, under the direction of Dr.

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Richard M. Silberstein, examined the boy on just two days, Friday and Saturday. It was after these examinations, it was to be disclosed later, that Deany changed his original story and gave a statement confessing that he had committed the murders. This was still not known, even to reporters, when Deany left on the weekend, accompanied by his uncle and Detective James Cox, to fly to the funeral of his parents in Orem, Utah.

The Turning Point

The funeral was held on Tuesday, Sept. 9, and on Wednesday, Sept. 10, as Deany was returning to New York with his uncle and Detective Cox, the New York *Journal-American* broke the story and announced in sensational headlines that the boy was a suspect in the murder of his parents. What happened next has to be considered of the greatest significance. For this was the crossroads, the point at which the life and the future of an eight-year-old boy were going to be protected—or he was going to be pilloried in public.

The *Journal-American's* story was damaging, but it was not official. Other newspapers did not touch it until District Attorney Braisted had been given an opportunity to comment, and on what he said depended the extent to which the story would be used, the credibility that would be attached to it. The district attorney, quite obviously, had several courses of action open to him. He could have denounced the published story as a violation of confidence and refused to confirm it; he could have refused flatly to comment, as district attorneys often do, because the case was under investigation and still unsolved; or he could have confirmed the fact that the boy had been under suspicion—and at the same time pointed out all of the solid facts in the case (as yet unknown to the public) that seemed to negate that suspicion.

District Attorney Braisted did none of these things. He gave the impression of a public official who was glad the story was out. He refused to be quoted on the fact that he had required a pledge of silence from newspapermen about the suspicions that had been focused on Deany; he refused to criticize publication of a story that had tarred an eight-year-old boy as a suspect in the murder of his parents. He said, on the contrary, that preliminary psychiatric examination to which Deany had been subjected had shown the boy was suffering "from a paranoid type of schizophrenia and that the boy's illness and basic personality were compatible with the commission of a crime of violence."

While thus throwing the prestige of his office behind the most horrible and harrowing suspicion that could be leveled at a child, the district attorney left himself an out in carefully expressed reservations. He pointed out that the boy's uncle, Dr. Harold Nimer, was not satisfied with "the statement"—he refused to say confession—that Deany had made. He added, "I am not satisfied, either," and said the boy would be subjected to more extensive and more thorough psychiatric tests.

Drawing the Net

The district attorney's statement made the story official. Press services spread it nation-wide. And in the next hours it seemed that the last room for doubt had been banished. On the evening of this day of horrible revelation, little Deany was taken back to the house of tragedy on Vanderbilt Avenue, and there, in a pattern reminiscent of the one followed with all-but-convicted criminals, he "re-enacted" the crime, authorities said. The next day, Thursday, Sept. 11, he was sent to Bellevue Hospital in New York for psychiatric examination. And that same day, in an extended press conference, District Attorney Braisted was subjected to searching questions by reporters about the circumstances that pointed to young Deany Nimer's guilt or innocence.

On the side of innocence, District Attorney Braisted listed just one theoretical proposition. "The one important thing that would negate" the idea of guilt, he said, was that the statement came from an eight-year-old boy. On the side of guilt, he listed an impressive array of supposedly solid facts.

The most important factor pointing to the boy's guilt, he said, "is the statement by the Medical Examiner that the wounds, their location, etc., could indicate they were received while the victims were in a prone position in bed." The first autopsy report (it was later revised) by Assistant Medical Examiner Dr. Dominick DeMaio disclosed that Dr. Nimer had a superficial wound on the back of the left shoulder and a fatal wound "in the upper abdomen under the left chest cage." Mrs. Nimer, Dr. DeMaio's report said, had a superficial wound of the right breast and "a lethal wound of the upper abdomen under the right chest cage." The medical report added that "the thrusts all were direct downward thrusts," supporting the theory that the Nimers were surprised and stabbed while lying "in a prone position in bed."

This scientific documentation seemed to offer a rational explanation for the incredible. Conceivably, even an eight-year-old, 4 foot 4, 60-pound boy *could* stab both of his parents to death if he surprised them as they slept and stabbed them in the soft flesh of the abdomen before they were aware of what was happening. The medical report seemed almost to explain how the crime *had* happened; but even so—and even though there were vital facts in this case that were still being kept from the press and public—there were a few obvious pieces that did not fit into this almost-final solution.

Some Awkward Facts

One dealt with Deany's person. Authorities said he had admitted he had washed his hands, and so, of course, there was no blood upon them. But what of his pajamas? They had, according to Dr. DeMaio's report, only "one or two" small bloodstains on them. Then there was the peculiar matter of the bedclothing. The murder night had been an exceptionally cool one when, almost certainly, the Nimers would have had covers over them. Yet there were no knife rips, no tears at all in the bed sheets.

These minute flaws in the case did not seem too significant at the time, but reporters questioned District Attorney Braisted closely. And everything he said built one picture, a dark picture for Deany Nimer.

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Asked about reports that the boy had changed his confession, the district attorney said: "No, he has not changed his story." Then he admitted that the boy, in answer to a question from his uncle, had said that his original story about an intruder was the true one. The district attorney was asked whether there were discrepancies in the boy's story. He said flatly: "No discrepancies." He added that Deany had had a motive and that it lay in "an attitude he had toward his parents." He explained, "I would be inclined to say they (the Nimers) were very strict." Of Deany, he said: "He has never shown any remorse."

Braisted was questioned about the absence of blood on any of the knives in the house, especially on Deany's Boy Scout knife. Assuming that the knife had been washed off, had detectives examined the drain traps to see if they could find any traces of blood? They had—and they found no blood. Only six minutes had elapsed between the first winking alarm light on the telephone switchboard and the arrival of police. Could Deany have rushed downstairs, washed off the knife so perfectly that it retained no trace of blood and hidden it in that short time? "It is possible," said District Attorney Braisted. "The time limit is conceivable?" he was asked again. "It is possible," he said.

The Boy's "Confession"

The effect of all this was to accuse and damn Melvin Dean Nimer in the public eye without accusing him in court. The story touched a sensitive nerve of the times and was a sensation across the nation. Parents everywhere have been concerned in recent years about the increasing frequency of violent and bloody youth crimes, and the case of Melvin Dean Nimer seemed to touch a new nadir. If so young and so attractive a boy could have committed so heinous a crime, then there were no limits to youthful depravity. No New York crime case in our experience caused such deep and widespread agitation among parents.

Yet all the time there were vital elements of the case that had been kept secret—elements that did not fit into the picture of a little boy's seemingly almost-certain guilt. They were vital facts that supported the story Deany originally had told about a masked intruder. For the plain truth was this: *virtually every word that he had uttered had been corroborated from the mouths of his dying parents.*

Though District Attorney Braisted had been questioned with the utmost thoroughness, he had given no hint of this. The district attorney had insisted there were "no discrepancies" in the boy's confession—nor, presumably, in the case against the boy. It was left for newsmen to drag the truth out into the light of day. On Friday, Sept. 12, Vincent E. Sorge, a painstaking and tireless reporter for *The New York World-Telegram and Sun,* broke through the veil of official reticence. He revealed the verbatim question-and-answer exchange between a detective and Mrs. Nimer before Mrs. Nimer died. This was the exchange:

> Q. Can you tell me anything about the case? A. A mask . . . a mask.
> Q. Can you tell me anything else? A. A hood . . . a hood.
> Q. What kind? A. White.
> Q. Slits in the eyes? A. Yes, covered full head.
> Q. How tall? A. Tall as my husband, same build.
> Q. Why did you get up? A. Heard boy scream.

District Attorney Braisted was in the midst of another press conference, discussing Deany's motives, when *The World-Telegram and Sun* broke the story. Asked if Mrs. Nimer had made a statement before she died, Braisted said he understood she had described the killer as about the size of her husband and added: "We believe she might have seen her husband and no one else, but this matter is still being investigated."

Thomas Sullivan, Braisted's assistant, came into the room at this point, leaned over and whispered into the district attorney's ear. Braisted paled noticeably. Then he turned to reporters and said: "Mrs. Nimer did mention the words 'white mask and hood' to Detective John Morgan, but you must remember that she was in shock and was put under sedation . . . and [her statements] were made in dribs and drabs. . . . She also said, 'tall as my husband,

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same build.'" Pressed for further details, he said abruptly: "I will make no comment on any published statement attributed to victims of this crime. I am declining comment because I sincerely believe that comment would impede our investigation."

The lid had been lifted. Answers that did not answer no longer satisfied. More and sharper questions were asked. What about Dr. Nimer? He had lived for some time after the stabbing. Had he, like his wife, identified his assailant? "He didn't give us anything you would call useful information," one high police source said. "He made no positive identification of the assailant," said District Attorney Braisted. It took reporters three days to pierce this screen of non-answering answers; but finally, on Monday, pressed again and pressed harder, District Attorney Braisted admitted that Dr. Nimer, too, before he died, had used the words "prowler" and "mask."

First Version Substantiated

The picture that then developed was this: Little Melvin Dean Nimer's first story that he had been awakened by a masked prowler, that he had screamed, that his parents had come to his aid—all of this had agreed in exact detail with the statements his dying parents had made to police. His description of the mask, his description of the intruder as a man "about Daddy's size," agreed perfectly with his mother's dying statement. Why, in the face of all this, had authorities concentrated such strong and harrowing suspicion upon the boy?

The answer may be found, perhaps, in District Attorney Braisted's admission of official investigative frustration. Three things, he said, led authorities to suspect Deany, and he listed them: "1. Our inability to establish with any certainty that there had been an entrance to and an exit from the house. 2. Motive—we couldn't settle on a motive. 3. A few statements by the boy which did not conform to the facts. Adding it all together—though we, like many other people, just couldn't believe it—we had no choice."

The only way, seemingly, that the positive statements of the dying parents could be explained away lay in the assumption that, to protect the son who had stabbed them, they had conferred and concocted the story of the masked intruder. Yet Mrs. Nimer had collapsed in the upstairs bedroom, Dr. Nimer in the downstairs kitchen, and there was absolutely no proof that they could have talked with each other in those six short minutes before police arrived. Anyway, in logic, the whole idea appeared preposterous, and in an analytical article on Sept. 19, 1958, the writing half of this team tore into the case against Deany Nimer and asked this question:

> Is it conceivable that a dying mother who thought enough of her children to warn about her daughter's formula would make up a story about a prowler and a mask to protect her son—and endanger the other two children—if he were a killer?

The day that question was asked District Attorney Braisted was not available to reporters, and Sullivan, his assistant, said: "No comment."

And with that story, the Nimer case virtually died. Melvin Dean Nimer's psychiatric examination at Bellevue was concluded. The report, as relayed to the public, was vague. Psychiatrists said they found evidence of "a personality disorder predating the tragic occurrence on Staten Island." Deany needed continued psychiatric treatment, they said; but clear evidence that the boy was not considered dangerous was seen in the fact that he was released and allowed to go to his grandparents' home in Orem, Utah, there to attend school and mingle with other children. Deany left New York for Orem on Oct. 23, 1958, and on Nov. 3, the forty detectives who had been working on the mystery were called off. The case was as good as dead.

At Last the Answer

But the damage had been done, and a haunting, horrible suspicion still remained—the suspicion that Melvin Dean Nimer, only eight, might have committed one of the most horrible crimes of the century. Everywhere a reporter went, even in towns miles away from New York, he was asked: "What is the truth about the Nimer case? Did the boy really do it?" It was a question to which there was no official answer, but one to which we can, we feel, give a positive answer now.

It is an answer that was obtained by the reporting half of this team only after weeks of exhausting and meticulous leg work. Every inch of the murder scene was re-examined. Every person who would talk, even many who didn't want to talk, was questioned. The picture that emerged grew more shocking every step of the way. For as we dug more deeply into the mystery, it became apparent that there wasn't a chance, *there never had been a chance,* that Melvin Dean Nimer could have committed the murders. Only the most incredibly slipshod investigation that proceeded in blind defiance of some facts and in blind ignorance of others could have resulted in even the vaguest suspicion being cast upon the boy.

The Blood Clues

We began with the house at 242 Vanderbilt Avenue. Any supposition of Deany's guilt rested upon the belief—in all logic, the only possible belief—that he had surprised his sleeping parents in bed and stabbed them there. But once we got into the master bedroom and examined the mattress on the bed, we found this: there was just one splotch of blood on the entire mattress and that was on the side of the bed on which Mrs. Nimer sat when she used the telephone.

The traces of blood still discernible in the house indicated clearly that the crime had been committed elsewhere. Across the hallway, there was a splash of blood on the door jamb of Deany's room, and there was a large amount of blood around the light switch in the hall nearby—an indication perhaps that Dr. Nimer, his hands already bloody from his wounds, had fumbled desperately for the switch in an effort to turn on the light so that he could see his assailant already fleeing down the stairs. It was significant to us that signs of blood in massive quantities appeared first in the hallway and trailed down the stairs through the house—just as would have been the case if the first story Deany told were the right one.

Downstairs, we faced the problem

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of the front door. It was obvious that a key angle had been the conclusion by the police and the district attorney that no one could have come in—or, even more significantly, could have left in haste—through the aluminum door with its spring lock. Yet aluminum doors with this kind of latch often give under pressure. Gene Gleason set the catch, then gave the door a slight tug—and open it came, easily, without damaging door or lock.

Mrs. Nimer's Evidence

Turning from the mute evidence of the house, we sought information of a more positive kind in the records of the Marine Hospital, where the Nimers had been taken. Mrs. Nimer, the records showed, had been placed in a recovery room at 3:05 A.M. Personnel of the hospital who knew her had talked with her. She was fully conscious, fully coherent. When a nurse giving Mrs. Nimer oxygen mistakenly placed the mask on backwards, Mrs. Nimer reached up with one hand and said: "It's on backwards." This was not a woman, obviously, who was in such a state of shock or under such sedation that she did not know what she was saying when she talked about a prowler and a mask.

The vital questioning of Mrs. Nimer had been overheard by hospital personnel. Two detectives were present, and they questioned her gently, carefully, hospital personnel said. They heard Mrs. Nimer tell about the mask-hood, the slits for the eyes; heard her describe the intruder as "about the size of my husband." And they heard her say: "I met the man in the hall."

Every effort was made to save Mrs. Nimer's life. Dr. Norman Tarr, deputy chief of surgery, was summoned to perform an emergency operation. He knew Mrs. Nimer personally, and she recognized him. Before he operated, the records show, he examined her carefully and turned her body over gently so that he could see if she had any wounds on her back. Mrs. Nimer told him that she had not been stabbed there and, indeed, she had not—a sequence again that seems to demonstrate that this was a woman still in possession of her faculties.

In his examination of his patient, Dr. Tarr discovered that she had three wounds. There was a slight knife wound on the heel of her right hand, received apparently when she had tried to ward off a blow. She had a one-inch stab wound in the upper right chest above the breast. And she had a mortal wound, not in the abdomen as the official medical examiner's report had said, but in the right chest between the sixth and seventh ribs.

The location and nature of this last wound assume vital importance. The presumption of Deany Nimer's guilt had been based to a large extent upon the autopsy report that placed the wound in the abdomen and described it as a direct downward thrust. This enabled officials to envision a boy stabbing his parents in bed, *but Dr. Tarr's reports show conclusively that this was a completely inaccurate impression, that the stabbing did not and could not have happened that way at all.*

Powerful Thrust

The blade of the knife had been driven through the rib cage and muscles with terrific force. It had gone in at an angle, slanting down and towards the center of the body. So vicious was the thrust that the blade had penetrated about five inches, and there was evidence that the blow had been struck by an experienced knife-wielder. The wound on the outside was small, only about the width of the knife blade; but there was evidence that the knife tip had been flicked on an arc inside the body, the trick of an experienced killer. The flicking tip had slashed through the diaphragm, had severed the major blood vessel going into the vena cava, and had inflicted a cut about five inches long and very deep in the liver.

Dr. Tarr knew that only a miracle could save Lou Jean Nimer, but he attempted to perform that miracle. He made an incision, beginning approximately at the navel and proceeding upward to the bottom of the breast plate. He mopped up the blood and tried to staunch its flow. His patient was sinking fast. Her pulse and breathing faded. She was only a whisper away from death. Dr. Tarr reached into her chest cavity and tried frantically to massage her failing heart. He tried for twenty minutes, but he failed as he had known, almost from the first, that he must fail.

All during this grim drama of the operating room, Dr. Tarr detailed every step in operative notes that he dictated as he went along. Realizing that he would have to cut through the original wound, he was careful to describe its location, its size, its depth. All of this detail, so vital to any understanding of the murder case, was in Dr. Tarr's operative notes when Mrs. Nimer's body was released to the city morgue for autopsy at 7:05 A.M., Sept. 2, 1958.

What happened next seems fairly

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obvious. The medical examiner, Dr. DeMaio, confused the incision which Dr. Tarr had made with the fatal wound. Only so could the wound have been erroneously located in the abdomen instead of between the sixth and seventh ribs; only so could it have been described as a direct downward thrust when Dr. Tarr, the only man who could know, described it emphatically as an angled, downward-slanting blow. How could this confusion have occurred? Quite simply. The autopsy report was ready the day after the murders, but Dr. Tarr's operative notes were not transcribed and forwarded to authorities for four days! And in the meantime, nobody asked. It was not until "about ten days" after Mrs. Nimer's death that detectives came around to question Dr. Tarr and hospital personnel—and learned, presumably for the first time, one of the most elemental facts about the crime they were investigating: the nature of Mrs. Nimer's fatal wound.

Deany's Throat Marks

This sequence, revealing enough, is not quite so shocking as one other medical fact that until now has been buried from the public. Deany, it will be remembered, had told authorities originally that the intruder had grabbed him by the throat and tried to strangle him. During the period when suspicion was being focused on the boy, District Attorney Braisted had been asked about this. Had there been marks on Deany's neck? He had replied: "There might have been one or two little marks on the boy's neck. There were no lacerations or deep marks. The boy was examined superficially on the night of the murders, but was not given any medical treatment."

This account simply does not agree with specific reports that show conclusively that a man *had* tried to strangle Deany Nimer!

The story of the evidence that was plainly visible on Deany's throat comes from Dr. William Smith, an associate of Dr. Nimer and a neighbor and friend of the family. He hurried to the Nimer house early on the morning of the tragedy. Deany had already been questioned, had been sent back to bed to sleep and had only just reawakened. Dr. Smith and Ralph L. Perkins, administrator of Marine Hospital, were present when detectives began to question the boy again about 6 A.M. Even then, police were saying that the boy's "story doesn't conform with the facts." And even then the trend of the questioning indicated that they suspected Deany. The questioning went on and on for nearly two hours, and considering the circumstances, the age of the boy and the horror of the night, it impressed observers as excessive, as constituting a virtual verbal third degree.

Finally, about 8 A.M., in the kitchen of the Nimer home, police asked Dr. Smith to examine Deany's throat. The doctor turned a sunlamp on the boy, and this is what he found:

> On the right side of the boy's neck —to the rear of the midway point— four fingerprints. On the left side, in approximately the same position, a thumb print and the curvature of a thumb nail mark. Clusters of petechia, more commonly known as pinpoint hemorrhages caused by the rupturing of the capillaries.

Dr. Smith said he told police and the D.A.'s men present: "The marks are more than halfway back. He could not have done it himself. The hand was too big."

This positive finding, it would seem, should have put an end to all suspicions of Deany Nimer. But as the sequel was to show, it did nothing of the kind.

Obviously, police and investigating officials were not listening to facts that they did not want to hear. Their attitude even at the time, even when one could not know what was to come, must have been obvious; for Dr. Smith, when he left the house and took Deany home with him, was so worried that he did an unprecedented thing. He discussed the situation first with his wife, then he called in a second doctor to examine Deany's throat again. This second examination corroborated Dr. Smith's findings, and both doctors wrote out formal reports of what they had found and filed them in the hospital records.

"A Rotten Deal"

It was not until some weeks later that Detective James Cox, who appears to have taken a more realistic view of the case than some of his superiors, came around rechecking evidence and discovered that two formal medical reports establishing beyond doubt Deany Nimer's innocence, showing that a man *had* tried to strangle him, were reposing in hospital files like a couple of concealed time bombs. Cox was visibly disturbed. But no one else appears to have been. At least no one in official position to this day has had the grace publicly to admit the horrible sequence of blunders that ended in the pillorying of an eight-year-old boy. The pretense has been maintained publicly that the investigation is still open; that anyone, including Deany Nimer, could conceivably still be a suspect. *But privately a high police official has since admitted to the reporting half of this team, "We know that the boy could never have done it."*

Out in Utah, Deany went back to school last winter like any other eight-year-old boy. According to his grandfather, Dean E. Park, he appeared normal and bright in every way. There had been no trouble, no need even for Deany to make regular trips to a psychiatrist. But, understandably, there was bitterness. Dean Park, speaking of New York, put it well. He said: "We think we got a rotten deal back there."

SPREADING THE WORD

If you agree that "The Shame of New York" ought to be read by as many New Yorkers as possible, turn to special announcement on the back cover of this issue.

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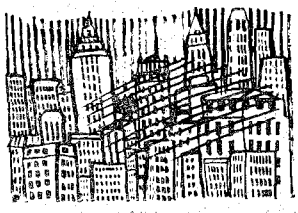

PART 11 CONCLUSION

THIS IS New York—a city of 8 million humans, 9 million rats; a city dominated by its $2 billion-a-year bureaucracy, its multi-billion-dollar rackets, its executive suite deals for power on the political, the business and the underworld levels. It is a city of the very rich and the very poor in which the middle class and the small businessman are being steadily squeezed and crushed. It is a city in which corruption has become inbred, in which sloth and indifference rule, in which nobody cares what happens to people—not even to an eight-year-old boy whose parents have just been murdered. It is a city that has lost its soul.

Must that soul remain lost? There are some signs that redemption is possible.

In last month's primary, a group of independent Democrats, supported by such leaders as Herbert Lehman, Mrs. Eleanor Roosevelt and Thomas Finletter, waged a vigorous campaign against the leadership of Carmine De Sapio. De Sapio himself faced fierce opposition in his native Greenwich Village stronghold, and the issue was so close that the Tammany boss became a pallid, fretting caricature of his usual confident self before he eked out a 586-vote margin in his fight for the district leadership. In other districts, some key De Sapio leaders were toppled, and for the first time in years, some dissident voices were added to the Tammany executive committee.

It was a startling achievement, considering the entrenched power of the machine, its massive resources. It was the kind of moral victory that could be won only if there were a widespread revulsion among the electorate of New York; it could happen only in a city that senses its own loss and degradation and that is struggling to live with itself again. This is what has Tammany worried today. Leaders in the Wigwam, belatedly heeding the public pulse beat, recognize a familiar rhythm. It is the throbbing spirit of reform and, in it, Tammany veterans sense overtones that remind them of the 1930s and Samuel Seabury and Fiorello LaGuardia.

The parallel is close, both inside New York and in the Governor's mansion in Albany. In 1932, Franklin D. Roosevelt, about to become President, forced the resignation of Jimmy Walker. In 1959, Nelson A. Rockefeller, another man of magnetic personal charm, sits in the Governor's chair and looks to 1960. The crisis in New York presents him with a challenge and an opportunity—an opportunity not just to better his personal political fortunes, but to help a great city shake off its shackles and find itself again.

The Challenge

For the salient fact is that New York needs help. Gallant moral victories like the one scored this September by the independent Democrats are not enough to do the job. New York needs a wholesale housecleaning, the kind of thorough purge that only another Seabury investigation could achieve. The Republicans, who control the state government, can institute such a cleanup if they will. In the past, they have hesitated because they prefer an evil Tammany as a state whipping boy and because "some of our own boys" are involved. Governor Rockefeller has it within his power to change this historic attitude of his party, if he will. He is a man without the usual political ties and obligations. His triumph was a personal triumph; the party machine is indebted to him, he doesn't owe it anything. He is free to act, and the noisome mess in New York today calls for action—for the kind of drastic, thorough probe that only a strong Governor can order. The opportunity rests with Nelson Rockefeller, and a great city waits.

THE END

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